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## Marines Leave Somalia, Ending U.S. Mission

### After 15 Months, Officer Says Troops Are 'Proud of What We Have Done'

By Keith B. Richburg and Rick Atkinson

MOGADISHU, Somalia — The commander of U.S. military forces in Somalia left this war-torn capital with his remaining troops Friday, officially closing the book on a messy and inconclusive American intervention in Africa.

The 15-month mission that began with the American Marines' televised amphibious landing ended here Friday just before noon at the same seaside airport, when a helicopter carried Major General Thomas Montgomery, the force commander, and his remaining headquarters staff to an awaiting ship in the Indian Ocean.

Before leaving, General Montgomery said he thought that the mission had seen "some very great successes," and that American troops "are very proud of what we have done here."

"I pray to God for the Somali people," he added. "I pray that they will find a way to raise themselves above this anarchy and turmoil and to build some kind of society based on love, instead of based on the gun."

Less than an hour after General Montgomery left, a convoy of 15 Marine amphibious assault vehicles rumbled across the tarmac and the River Street strip of sand known as "Black Beach," entering the water for the short journey to their waiting ships. As the last Marine vehicle reached the beach, it stopped briefly and its unit leader, Lieutenant Dave Wolcott, 24, called to reporters, "Last words? See you later."

Even though the departure marks the end of the mission and the final of one of the Clinton administration's biggest foreign policy headaches, the United States is still leaving behind more than 50 Marines to protect the U.S. Embassy and another dozen or so soldiers serving in mostly logistical and supply jobs at the United Nations headquarters.

One of those U.S. soldiers left behind, Major Kevin Reintner, expressed some of the anxiety the remaining Americans feel. "It's been pretty secure for the past week," he said. "I don't have to be nervous for at least another month."

The American troops are also leaving behind a country still poised between an elusive peace and renewed civil war.

Feuding warlords meeting in Kenya claim to have reached a peace accord on the eve of the U.S. exit, but skepticism remains that the pact is any more valid than the numerous other UN-brokered agreements, which usually are violated within days of their signing.

In recent weeks, Mogadishu has been beset by an upsurge in banditry and looting that many here attribute to a perception that the American departure opens an opportunity for gun-toting young thugs and unemployed militiamen.

The job of imposing some kind of security amid the chaos now falls entirely to a UN force comprised of 19,000 troops, primarily from Pakistan, India and Egypt. Almost everyone here expects that in the coming days or weeks, those troops will be "tested" by Somali gunmen anxious to try their resolve.

"There is apprehension about what might occur," said Major Christopher Budge of New Zealand. "There could be a perceived idea by elements outside the wire that we have a lesser force to react," he said. "We expect a testing of the wire."

Although the departure was decidedly low-key — no speeches and no Somalis at the gates to say goodbye — it was nevertheless a morning of cinematic drama, rich with well-choreographed symbolism.

A fleet of a dozen helicopters lifted off the runway in a swirl of dust and sand. Harrier jets roared across the sky overhead in a final show of American might. Shortly before that final vehicle pushed away from Somali soil, a Marine officer, Lieutenant Colonel Dave Young, shook hands with his Egyptian counterpart, Lieutenant Colonel Mohammed S. Aouda, and told him, "Good luck in your mission here." The Egyptian wished the American "a safe trip back."

Colonel Young, speaking earlier in an interview, said he told the troops under his command not to expect any large homecoming celebrations after a mission that can best be described as incomplete.

"Nobody really cares that you've done this," he said he told his young Marines. But he said

See SOMALIA, Page 4



U.S. Marines furling the flag over a brigade headquarters in Mogadishu on Friday as they completed their withdrawal from Somalia.

## U.S. Raises Pressure on Regime in North Korea

### Troops in South to Get New Helicopters and Anti-Artillery Weapons

Compiled by Our Staff From Dispatches

WASHINGTON — The United States will put more sophisticated weapons in South Korea as a precaution against an attack by the North, Defense Secretary William J. Perry said Friday.

Mr. Perry said he would visit Seoul next month to discuss plans to defend the country against military moves by North Korea, mainly by sending in more anti-artillery weapons and tactical aircraft such as Apache helicopters.

The United States, he said, is concentrating on equipment that could be moved to Korea "in a matter of a few days rather than a few weeks."

"There are fairly complex plans in the works over the next several months," the secretary said, to improve the ability of the 37,000 U.S. troops based in South Korea to defend themselves. In the short term, more munitions, supplies and spare parts for the U.S. forces should be moved onto the peninsula to enable quicker movement should the crisis escalate, he said.

U.S. advisers, he said, have been discussing ways for South Korea to increase its ability to defend against massive artillery that North Korea's one-million member army has deployed near the demilitarized zone that separates the two countries.

Senior Pentagon officials said earlier that the United States had decided to put off for now any increase in the number of U.S. forces on the Korean Peninsula.

The disclosure of plans to strengthen the South Korean military came against a backdrop of growing tension over the North's refusal to provide proof for its assertion that it had no secret program to develop nuclear weapons.

The Clinton administration had earlier announced plans to deploy Patriot anti-missile batteries in the South, and to proceed with annual joint military exercises with South Korea.

The International Atomic Energy Agency, the UN nuclear watchdog that has sought without success to gain unimpeded access to North Korean nuclear sites, referred the issue to the Security Council last week for possible punitive action.

A draft resolution brought before the Security Council on Friday gives the North one month to agree to full international inspections of its nuclear facilities. But it makes no mention of trade sanctions. The United States has said that such a measure may have to be considered later.

The chief of the UN agency told the Security Council on Thursday that North Korea was hiding more plutonium than it had declared, but that he could not say whether it was enough to make a nuclear bomb.

"We have samples indicating there must be

See CLINTON, Page 4

See KOREA, Page 5

## In Whitewater Concession, Clinton Opens Tax Books on Early Years

The Associated Press

WASHINGTON — Hoping to lay to rest persistent questions about the Whitewater affair, President Bill Clinton released tax records Friday for his first years in public office in Arkansas.

Mr. Clinton had announced that he would release the returns for 1977 to 1979, his first years as governor of Arkansas, at a White House press conference a day earlier. He had said he would do everything possible to clear up questions about Whitewater, a failed real-estate development in which he and his wife said they lost money.

"Cooperation, disclosure and doing the people's business are the order of the day," Mr. Clinton said.

The White House communications director, Mark Gearan, said Friday: "I think the evidence we have today about his tax returns will be helpful to people. The facts will come out."

Mr. Clinton promised to cooperate fully with Whitewater investigations and said he and his wife expected to be interviewed by the Whitewater special counsel, Robert B. Fiske Jr. The president also left open the possibility of testifying before Congress.

The documents released Friday showed that the Clintons had a substantial surge of income in 1979, but that the gain was due to commodity trading.

They made over \$72,000 in commodity trading that year, the returns showed. As a result, their joint adjusted gross income that year went from \$85,214 in 1978 to \$158,495 in 1979.

Previously released returns showed that their incomes dropped substantially in 1980, when their adjusted gross income fell to \$87,175.

The returns also showed that in 1978 the Clintons took a

\$10,131 deduction for interest paid to the Great Southern Land Co., a land venture owned by James McDougal. Mr. McDougal also was a partner with the Clintons in Whitewater Development Corp.

This week, Mr. Clinton sharply revised downward the amount of his Whitewater losses. He said he had incorrectly overstated his loss by about \$22,000.

Maureen Dowd of The New York Times reported from Washington: At his news conference, Mr. Clinton tried once again to

## Moscow Paper's Report of Coup Plot Was 'Sham'

By Fred Hiatt

Washington Post Service

MOSCOW — A Russian newspaper that published details last week of an alleged coup plot against President Boris N. Yeltsin said Friday that the document was a fabrication by one of its own staff members.

The alleged coup scenario, titled "Version No. 1," had set political Moscow's nerves on edge for a week. It provoked escalating rumors about the health and political future of Mr.

Yeltsin, who was on vacation in the south of Russia.

But on Friday the newspaper that had published the document, Obshchaya Gazeta, called the plot a "sham" and said that a member of its editorial council, Gleb Pavlovsky, had admitted composing the document.

The paper nonetheless defended its decision to publish the document and maintained that the full story was still not known. It hinted that Mr. Pavlovsky had co-authors, still unknown, with conspiratorial motives.

That view was given partial credence when Russia's chief of counterintelligence said that four people had been responsible for the provocation. The chief, Sergei Stepashin, said their names would be referred to the Russian prosecutor-general for further action.

But Mr. Stepashin also urged journalists to deal more carefully with false documents. "I'd like to tell you immediately that there was nothing serious behind these publications, and

See YELTSIN, Page 4



## 30,000 Students March in Paris Against Wage Decree

Students shouted slogans on Friday as they marched in Paris to protest the government's plan to pay young people below minimum wage. Nearly 50 police officers were injured in clashes with 300 youths. Similar protests were held in other French cities. Page 2.

## Anxiety Marks Start of Passover in Israel

By Clyde Haberman

New York Times Service

JERUSALEM — For a measure of how Israelis and Palestinians are getting along, the A.A. Glass, in a Jerusalem industrial zone, installs protective windshields and windows in cars. When its business is good, you know it is time to take cover.

And since the Hebron massacre a month ago, says one of the owners, business has been very good, indeed.

Like casualties of war, cars limp into the garage at a steady pace, their windshields turned to webs of shattered glass from stones, crowbars and other weapons of choice in a long conflict that has turned nastier since the slaughter of Muslim worshippers by a Jewish settler. It

has reached the point that the special plastic used to deflect rocks is suddenly in short supply for some auto models.

"The stones were always there, but now there are many more of them," said a settler from Shilo, north of Jerusalem. The day before, his windshield had been hit by a big rock in the Palestinian town of Ramallah. Had it not been made of plastic, cracking but not splintering, his face might have been rearranged, he said.

Palestinians find the going rough, as well. Bassam Zoumot, an actor, was with a friend whose car had been smashed by settlers while it was parked in Shufat, an Arab neighborhood in Jerusalem.

"It's become almost like the first days of the intifada," Mr. Zoumot said, referring to the Palestinians' uprising.

One does not need a garage, though, to see the signs of disquiet that course through Israel and its territories like rain-swollen streams.

As Israelis make final preparations Friday for the Passover holiday that begins Saturday night, they were in a jumpy mood, fearing that any day now some of them will be blown up or gunned down in a Palestinian revenge attack. The holiday brings unusually large numbers of people together in public places, so the country is on its collective guard.

All police vacations are canceled for 10 days, and the army has sent reinforcements into the occupied territories, especially Hebron, which remains under constant curfew.

At the Malha shopping mall in Jerusalem, the

See ISRAEL, Page 4

### Kiosk

#### Senate Approves Clinton's Budget

WASHINGTON (Reuters) — The Senate approved President Bill Clinton's \$1.5 trillion budget for fiscal 1995, on a vote Friday of 57 to 40, challenging the House to match its \$26 billion in new spending cuts.

Budget Director Leon E. Panetta, concerned about additional spending cuts, told a Senate hearing that these had not been de-

fined and that the administration was particularly concerned about cuts in the military.

The biggest outlays are \$337 billion for retirement benefits, \$271 billion for the military, \$214 billion for debt interest and \$161 billion for Medicare for the elderly.

The resolution passed by the Senate closely follows Mr. Clinton's spending priorities.

#### Time for Europeans to Turn Clocks Ahead

Europe turns clocks ahead on Sunday. Most countries will move their clocks forward at 2 A.M. Britain and Ireland will remain an hour behind much of the Continent, while Bulgaria, Romania, Turkey,

Greece, Finland, the Baltics, and Cyprus will remain an hour ahead. Moscow will remain two hours ahead of Western Europe. The United States and Canada move to summertime at 2 A.M. Sunday, April 3.

#### Business/Finance

The South Korean leader offered to improve access for Japanese goods. Page 9.

European governments are likely to find it harder to borrow in coming months. Page 11.

Crossword Page 19.

Weather Page 20.

#### General News

A synagogue was damaged by a firebomb in Lübeck, Germany. Page 2.

Art: An exhibition at the Louvre resurrects the works of an almost-forgotten artist. Page 7.

Book Review Page 4.

#### Newsstand Prices

Andorra...9.00 FF Luxembourg 60 L. Fr  
Antilles...11.20 CFA Morocco...12 Dh  
Cameroun...1.400 CFA Qatar...8.00 Riels  
Egypt...9.00 FF Reunion...11.20 FF  
France...9.00 FF Saudi Arabia...9.00 R.  
Gabon...960 CFA Senegal...960 CFA  
Greece...300 Dr. Tunisia...1,000 Din  
Ivory Coast...1,120 CFA Turkey...T.L. 15,000  
Jordan...1 JD U.A.E...8.50 Dirh  
Lebanon...US\$ 1.50 U.S. Mil. (Eur.) \$1.10

| Dow Jones  | Down      | 46.36  | 3,774.73 |
|------------|-----------|--------|----------|
| Trib Index | Down      | 0.59%  | 111.98   |
| The Dollar |           |        |          |
| New York   | Pl. close | 1.8555 | 1.858    |
| DM         |           | 1.4987 | 1.4975   |
| Pound      |           | 104.85 | 104.55   |
| Yen        |           | 5.71   | 5.7038   |
| FF         |           |        |          |

See MEXICO, Page 4



## Synagogue Set Afire, Neo-Nazis Suspected

By Craig R. Whitney

**BONN** — A synagogue in the northern German city of Lübeck where Passover services were to be celebrated this weekend for the first time since the Nazis looted the sanctuary in 1938 was damaged by a firebomb Friday.

The police said they suspected that rightist radicals had thrown the firebomb through a window into an office that was heavily damaged, but said they had no suspects in the case. Seven people living in the four-story brick building escaped without injury.

The main sanctuary was untouched. A second bottle filled with inflammable fluid was found unexploded on the building's staircase.

The early morning attack, believed to be the first attempted arson against a synagogue in Germany since the Nazi Kristallnacht — or Night of Crystal, for the glass shards that littered streets on Nov. 9, 1938 — caused widespread outrage.

"The German government is shocked by this attack and sharply condemns it," said Chancellor Helmut Kohl's spokesman, Dieter Vogel, who added that the chancellor, on vacation in Austria, had been kept informed. "The German government stands by Jews in Lübeck and elsewhere," Mr. Vogel said.

Heidi Simonis, the premier of the state of Schleswig-Holstein, where Lübeck is situated, visited the site and said, "This was an attempted murder." The state prosecutor, Herbert Ostendorf, said that the authorities assumed that neo-Nazis were behind the attack and that any eventual suspects would be charged with attempted homicide.

The local Christian churches, in a common statement, said, "This crime is directed against a community that is trying to rebuild itself after the desecration of the Nazi era. We Christians cannot stay quiet as in 1938. When synagogues burn, churches cannot be far behind."

Heinz Jäckel, speaking for the Jews in Lübeck, said, "This is really terrible. I can't find the words to describe what has happened."

Ignatz Bubis, the head of the Central Council of Jews in Germany, accused "spiritual arsonists" of preparing the climate for this and hundreds of attacks against foreigners and asylum-seekers that have taken more than a score of lives since 1992.

There were 1,814 such violent attacks in 1993, down from 2,584 in 1992, according to the German authorities, but they continue: 299 in January, compared to 335 in December. That is still around 10 a day; a Turkish-owned textile store in Bremen was also firebombed Thursday night, for instance.

Mr. Bubis, who pointed out that 80 Jewish cemeteries were desecrated in Germany in 1992, called for tougher law enforcement actions against the people who carry out such crimes and said he was not surprised that a synagogue was eventually firebombed.

German courts have been handing out steadily heavier sentences. Two neo-Nazis convicted in December of setting a fire in the north German town of Mölln that killed two Turkish girls and a Turkish woman a year earlier were sentenced to life and 10 years' imprisonment.

## New Mozambique Army Set to Begin Training

Reuters

**MAPUTO, Mozambique** — Training of the first infantry battalions for Mozambique's new unified army is expected to begin April 4, the United Nations special representative, Aldo Ajello, said Friday.

The government and the former rebel Renamo movement agreed to merge their forces under an October 1992 peace agreement ending 16 years of civil war. The United Nations is seeking to ensure that the new 30,000-strong army is ready by September.

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Police looking through the debris at the Lübeck synagogue Friday.

## Paris Clashes Erupt Amid Wage Protest

By Alan Riding

**PARIS** — Carrying banners and singing protest songs, tens of thousands of students marched through the streets of Paris and other French cities Friday as part of their escalating campaign against a government decree lowering the minimum wage that can be paid to young people.

Most of the 30,000-strong demonstration in Paris went off peacefully, with student leaders trying to maintain order. But about 300 youths began breaking shop windows and throwing stones at riot police who answered with tear gas and baton charges. At least 43 youths were arrested, while nearly 50 police were injured.

On Thursday, Interior Minister Charles Pasqua warned that at least 1,000 vandals planned to infiltrate the march and cause trouble.

The worst clashes on Friday occurred around the Place de la Nation, where the march ended, with police using tear gas to disperse youths well into the evening.

In Lyon, about 30,000 protesters gathered for a demonstration that went off without major incident. Students also turned out in force in Marseille, Toulouse, Grenoble, Lille, Valenciennes and Nice. Overnight in Nantes, about 400 youths built barricades and threw gasoline bombs at police.

In Besançon, in eastern France, about 500 youths forced a 45-minute delay in the start of a Davis Cup tennis match between France and Hungary by forming a human chain that blocked the entrance to the stadium. In several cities, students also blocked highways and railroad tracks.

The issue that has united high school and university students around the country is a government decree that allows employers to pay from 30 percent to 80 percent of the 5,900 franc (about \$1,000) monthly minimum wage to young people under the age of 25. The students are demanding revocation of the decree.

But with one out of four youths between the ages of 16 and 25 out of work, the conservative government of Prime Minister Edouard Balladur has contended that, rather than discriminating against young people, the new policy will give them more hope of employment when they end their studies.

Young people account for about 750,000 of the 3.3 million unemployed in France, but their share of total unemployment is growing faster than the average. The most severely affected are unqualified youths — often children of Third World immigrants — who crowd poor suburbs of Paris and other cities.

After the first demonstrations against the decree three weeks ago, Mr. Balladur made several concessions, excluding those with top de-

grees and requiring those with so-called technical degrees to be paid 80 percent of the minimum wage negotiated by trade unions rather than of the legal minimum.

But, rather than petting out the movement has continued to grow, raising fears that it could lead to the sort of massive anti-government movement that paralyzed France in May 1968. So far, however, while backing the student demands, unions have not yet called on workers to join the protests.

On Friday, with some posters showing caricatures of Mr. Balladur with Dracula teeth, the students in Paris said they would keep demonstrating until the decree was revoked.

"We're very pleased," said Philippe Campinchi, a national student leader. "If Balladur withdraws the law, we'll stop. If he tries to smother the movement, it will spread."

While the decree has been the catalyst for the protests, however, they have also served to underline the general mood of pessimism among French youth.

"We have no future," said one young woman in the demonstration Friday in Paris. "That's why we're out here."

So far, at least, the movement has assumed no political color, with many students saying they feel as disenchanted by the left as they are by the right.

## Hurd Implores Britain to End 'Euroskepticism'

Reuters

**PLYMOUTH, England** — Britain's negative attitude toward Europe could badly damage its world standing, Foreign Secretary Douglas Hurd said Friday, adding that it was crazy for Britons to go on fighting "in the old trenches on the old battlefields."

Mr. Hurd told Conservative activists that a bitter dispute over voting rights in an enlarged European Union was an important moment in the history of the governing Conservative Party.

He said he would stand up for Britain at a weekend meeting of EU foreign ministers in Greece, but did not hold out hopes for a solution to the dispute, which threatens to delay enlargement of the community to 16 from 12 next year.

He said it was time Conservatives put an end to rows over Europe, which nearly brought down Prime Minister John Major's government, and looked upon the other 11 EU countries as friends rather than potential enemies.

"Britain against Europe cannot be our slogan," Mr. Hurd said at an annual meeting of party executives. "We spend too much time in the old trenches on the old battle-

## In Italy, the Probe Drags On The Accused Wonder If It Will Ever End

By Alan Cowell

**ROME** — Languishing in prison, Mario Zamorani couldn't help but think of Dante's "Inferno."

Through the third-floor window of his cell in Turin, Mr. Zamorani said he could see the construction site for an extension of the prison building, a contrast he himself had negotiated with the authorities before his arrest almost two years ago on charges of paying bribes to win contracts.

"In the 'Inferno,' the sinners were confronted with their sins," he said. "You could say the same thing happened to me."

These days, Mr. Zamorani, 46, the former head of Italy's largest public construction company, Italstat, is out of prison, free to work while he awaits trial on five counts of corruption linked to the vast web of graft that brought down Italy's political old guard.

His position — accused but not tried; freed but not judged — reflects the anomaly of a country that has broken with its past without conjuring a vision of the future. Even the course of political renewal on which it embarked by scheduling elections, which will be held Sunday and Monday, may prove far less of a catharsis than many had earlier expected.

Indeed, with a staggering number of businessmen and politicians — 6,000 so far — implicated in the corruption scandal, and investigators still scouring for evidence of public wrongdoing, figures like Mr. Zamorani raise the question of how it is ever going to end.

"I am hoping that after the election there will be an amnesty because what happened was more like a general levy, and that is not a crime," he said of the system of kickbacks that permeated political and business dealings.

"If it doesn't finish some time, we will reach a position where every single Italian family has one member under investigation," Mr. Zamorani said. "Either 'Tangentopoli' finishes, or Italy is finished."

But that is not the view of those who helped expose the corruption scandal that has come to be called "Tangentopoli," or "Kickback City."

"The investigations will go on as long as there's something to investigate," said Gherardo Colombo, one of the magistrates in Milan who uncovered the scandal. "This is not the moment to be talking of amnesty. Even if there's a little bit of difficulty, I think the trials should be held."

The scandal broke in February 1992, when an official in Milan, Mario Chiesa, was caught accepting a bribe in return for awarding a cleaning contract at a senior citizens' home.

Since then, magistrates have uncovered a network of graft that reached into the boardrooms of such industrial giants as Fiat, Ferruzzi and Olivetti, as well as state holding companies.

The parties that have dominated Italy since the beginning of the Cold War, the Christian Democrats and the Socialists, have been all but obliterated by the scandal, disgraced and supplanted by other contenders.

Former political barons like Giulio Andreotti, who served seven times as prime minister, face accusations of corruption and consorting with the Mafia. Many of the nation's most prominent entrepreneurs have been jailed for interrogation. At least 14 have taken their own lives, some in circumstances that have not been fully explained.

Mr. Zamorani, who in June 1992 became the first head of a state-owned company to be jailed under Italy's preventive detention laws, was initially held in San Vittore prison in Milan, where members of the business elite were left to rub shoulders with drug dealers and other less illustrious prisoners until they agreed to cooperate with the investigation.

"I admitted my crime on the first day," Mr. Zamorani said. But he was not freed for another 60 days.

Under the pressure of incarceration, he told investigators about the system under which construction companies shared the state contracts for which they would submit bids and bribes. He did not name names, he said, though he had been implicated by a former business associate.

So, in April 1993, it was back to jail, this time in Turin to answer more questions about illicit payments. Barely had he emerged from prison in Turin on May 11 then he was jailed again in the northeastern town of Fidenza on May 22 until June 9 on the testimony of the same former associate.

Like thousands of others implicated in the scandal, Mr. Zamorani has not faced a formal trial. Hearings in Milan are to begin in April, but a trial in Turin is not expected to start until next year.

It is the delay in the judicial process that leaves the Tangentopoli affair unresolved.

Mr. Colombo, the investigating magistrate in Milan, said only about 100 of the 1,400 corruption cases being prosecuted in that jurisdiction alone have passed the first stage of the trial proceedings, which permit two appeals before final judgment. About 400 more accused, including Mr. Zamorani, have been officially told that they will stand trial.

Even then, a jail term may be only a remote possibility. Like others, Mr. Zamorani maintains that any individual wrongdoing should be pardoned because the system of corruption involved virtually everyone.

Meanwhile, Mr. Zamorani has turned to other pursuits. In a four-part magazine series, he wrote a businessman's guide to being arrested, suggesting that detainees pack a sweatshirt, sandals, cigarettes, a radio, insect repellent and writing materials when the Carabinieri arrive.

## Right Affirms Unity Before Vote

The Associated Press

**ROME** — Italy's election campaign closed Friday with leaders of a conservative alliance rallying to the side of Silvio Berlusconi, the media magnate who entered the political arena two months ago promising economic recovery.

Saturday was set aside as a day of reflection for the 48.2 million people eligible to vote in what has been called the country's most important election since 1948. In that vote, Italians first rebuffed the Communists in their bid to run the government.

Voting for the Senate and Chamber of Deputies takes place Sunday and Monday.

Election rules forbid publication of voter surveys in the last two weeks before election. But the last polls showed the Freedom Alliance, led by Mr. Berlusconi, holding the edge over a leftist coalition led by the Democratic Party of the Left, the former Communists.

It was widely expected that no one grouping would get more than 50 percent of the vote, which would very likely give a key role to a small centrist alliance of former Christian Democrats and reformers.

Mr. Berlusconi has forged a campaign alliance with Umberto Bossi, the leader of the anti-cor-

ruption, anti-bureaucracy Northern League. Also allied with Mr. Berlusconi is the National Alliance, the grouping founded by Gianfranco Fini, the leader of the neofascist Italian Social Movement.

The three conservative factions have quarreled throughout the campaign, but on Friday made a show of solidarity.

"The differences were exaggerated during the campaign," said Roberto Maroni, a Northern League leader. "The reasons for unity prevail."

Mr. Maroni and other conservatives rallied to Mr. Berlusconi's side after a magistrate investigating possible influence of Masonic members on the campaign sent the police to the Rome headquarters of Mr. Berlusconi's Forza Italia to seize lists of candidates and officials.

Meanwhile, leftists maintained that a vote for them would ensure the continuation of the inquiries of politicians and businessmen.

"The real division is between those who want to defend the interest of those who governed our country for the last 40 years and those who want to free Italy from the clime of unlawfulness and corruption," said Antonino Caponnetto, who is running on the anti-Mafia La Rete ticket.

## WORLD BRIEFS

### Haitian Mob Evicts UN Observers

**PORT-AU-PRINCE, Haiti** (AP) — An armed, pro-army mob rousted a team of United Nations observers from their beds and forced them out of a town where they had been investigating reports of human rights abuses, a UN spokesman said Friday.

Uniformed soldiers later allowed demonstrators to shove and push the departing UN personnel when they were stopped at an army outpost on the town's outskirts, a UN spokesman told The Associated Press. "They were pushed around by demonstrators under the eyes of the military, which did nothing to prevent it," he said.

He said officials at UN headquarters in New York were preparing a formal response to the incident, which occurred Wednesday night and early Thursday in Hinche, northeast of Port-au-Prince. The team made it safely to the capital by 5 A.M. Thursday.

### Norway to Expel an Iranian Diplomat

**OSLO** (AP) — Norway announced the expulsion of an Iranian diplomat Friday, saying the envoy's activities were not in keeping with his status in the country.

Mohammed Movahed, a consul at Iran's embassy in Oslo, was given 10 days to leave the country, a Norwegian Foreign Ministry statement said. The ministry would not say what Mr. Movahed allegedly had done to warrant his expulsion, and a ministry spokesman said he did not expect Tehran to retaliate by expelling Norwegians.

The spokesman, Ingvald Havnen, said the expulsion was not related to an attack on William Nygaard, a publisher who produced a Norwegian edition of Salman Rushdie's book "The Satanic Verses," which some Muslims regard as blasphemous. Mr. Nygaard was shot and wounded outside his home near Oslo on Oct. 11.

### Ban Placed on Toxic Waste Exports

**GENEVA** (AP) — After years of dumping toxic waste in poor countries, industrialized nations agreed Friday to ban the practice despite opposition from the United States, Japan and Germany.

The United Nations-sponsored conference to review the so-called Basel Convention on the Transboundary Movement of Hazardous Wastes decided to ban exports of hazardous waste for final disposal with immediate effect, and for recycling by Dec. 31, 1997.

The decision, which came after five days of wrangling among more than 60 nations, was seen as a victory for environmental groups and Third World nations. The conference chairman, Chris Lamb of Australia, hailed the move as a "historic step." He conceded, however, that the ban would not prevent illegal shipments. It will be up to individual governments to take action against companies that try to dump their waste secretly abroad.

### Romanian Communists Pardoned

**BUCHAREST** (Reuters) — President Ion Iliescu decreed a pardon Friday for eight Communist bosses who were jailed after the 1989 revolution for crimes of mass murder and abuses of power.

The eight, including former Foreign Minister Stefan Andrei, were members of the Politburo. All had been released from prison during the past two years after sentence reductions or on grounds that they needed medical treatment. Mr. Iliescu's latest gesture wiped the slate clean for them.

Traian Cebelesu, the president's spokesman, played down the importance of the pardon, saying: "It's nothing unusual, pardons often happen and they are allowed under the constitution." Mr. Iliescu also pardoned 16 other figures.

### Sister Visits Jailed China Dissident

**BEIJING** (AP) — Zhai Weimin, one of the leaders of the 1989 pro-democracy demonstrations, has been in jail in central Henan Province since his arrest on March 6, his family said Friday.

They said the Mr. Zhai, 23, who was arrested in Beijing, was being held near the city of Xinan in the western part of the province. His arrest was part of a security offensive against dissidents in China beginning early this month. At least 18 people were detained.

A family member said Mr. Zhai's youngest sister, Zhai Yujie, had been allowed to visit him on Friday morning, but that the police would not divulge the reasons for his arrest. After the violent repression of the democracy movement in June 1989, Mr. Zhai was arrested in early 1990 and spent three and a half years in prison for "counterrevolutionary propaganda." He was freed last Sept. 13.

### Croat and Muslim Army Chiefs Meet

**SARAJEVO, Bosnia-Herzegovina** (AP) — Croatian and Muslim military chiefs met to combine their army commands Friday, a day after Bosnian Serbs formally rejected an invitation to settle Bosnia's war by joining a Muslim-Croatian federation.

It was the latest sign of growing cooperation between the two groups, who until recently were rivals but who now are consolidating details of a federation agreement signed March 18 in Washington.

General Rasim Delic, commander of the Muslim-led government troops, and Ante Roso, his Bosnian Croat counterpart, met to set up a joint command.

### For the Record

Thirty-four people were injured when a local train crashed into the rear of a Penzance-to-Edinburgh passenger train that was stopped at a station in Newton Abbot, in southwestern England, the police said. Two of the injured were in serious condition, a British Rail spokesman said in an interview with Sky television.

The captain and owners of the oil tanker Braer, which spilled nearly 600,000 barrels of crude oil in the North Sea, will not face criminal charges, the Crown Office said in Edinburgh. The ship ran aground in the Shetland Islands in a storm on Jan. 5, 1993, and broke up, causing one of the world's worst oil spills. The decision does not bar civil suits. (AP)

## TRAVEL UPDATE

### British Airways Slashes Some Fares

**LONDON** (Reuters) — British Airways cut selected fares by up to a half on Friday in a bid to win passengers back from other airlines and from discount "bucket shops" that buy up unsold seats from airlines.

"We are introducing new fares with savings of up to 50 percent on some seats and by an average of 30 percent on others," a company spokesman said. The airline said it was making a special offer for leisure-fare bookings made between March 26 and April 15 covering round-trip flights from British airports to about 50 international destinations. A trip to New York from London in midweek could cost £239 (\$358). The lowest London-Paris fare was cut from £108 to £83. BA said there were also savings of more than £300 on trips to the Far East.

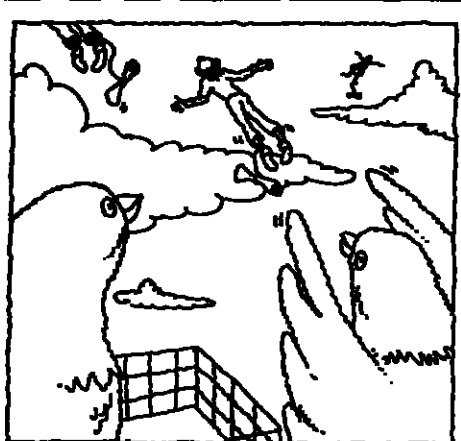
In response, Britain's other long-haul carrier, Virgin Atlantic Airways, vowed to match any cuts on its routes to the United States and Far East. Romanian aviation authorities grounded helicopters on Friday of the type that crashed near a Carpathian mountains resort, killing six British tourists, until the cause of the accident can be determined.

China's skies, rated the world's most dangerous, may grow safer following Beijing pledges to ease a shortage of pilots that has stifled airline expansion plans and strained safety. (Reuters)

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# THE AMERICAS/MUCH ADO?

## As the Whitewater Punches Keep Coming, Clinton Refuses to Backpedal



President Clinton meeting the press at the White House to discuss events in the Whitewater affair.

By R. W. Apple  
New York Times Service

WASHINGTON — Representative Jim Leach has dropped his blockbuster, but whether it will inflict heavy political damage remains to be seen.

For weeks and months, there have been allegations of irregularities, even skulduggery, in an Arkansas real-estate deal involving Bill Clinton and his wife 15 years ago. But to most Americans, it seemed like much ado about not very much. And the whole thing took place long ago and far away.

Suggestions earlier this month that those who were supposed to be investigating the matter had improperly briefed people in the White House brought the controversy into the here and now — out of Arkansas and into Washington, out of the 1970s and into the 1990s.

Subpoenas were issued to several top-level presidential aides, and President Clinton conceded at the time that "it would be better if the meetings and conversations hadn't occurred."

But until Mr. Leach, an Iowa Republican, made his charges on the floor of the House on Thursday, and backed some of them with detailed documents, no one with any credibility to speak of had actually accused anyone in the administration of trying to interfere with the investigation or cover something up. Mr. Leach did that.

He has a formidable reputation for independence and rectitude, and that gave weight to what he said. But his charges remain unproven, and Mr. Clinton categorically denied at his press conference Thursday night any knowledge of the actions of which Mr. Leach spoke. If anybody interfered, he implied, it was probably Republican appointees.

Although the president has taken several further steps in his campaign to demonstrate

that he and Mrs. Clinton have nothing to hide, fresh questions still permeate the political atmosphere: Which officials of the Real Estate Trust Corp. oversaw the investigation of the failure of Madison Guaranty Savings & Loan and any potential connection with Whitewater? Did they, as charged, try to steer the inquiry away from Whitewater and the Clintons?

If so, who, if anyone, told them to do it? Who in the White House, if anyone, learned of it after the fact? What did they do then?

Mr. Leach has handed over his evidence to the special counsel in the case, Robert B. Fiske Jr. But politics dispenses a rough justice of its own, and this was no exception.

Mr. Clinton's standing in polls, which has been slipping in the last few days, will almost certainly slip further now. In the latest survey by the Los Angeles Times, two-thirds of the respondents said they thought the Clintons were guilty of some wrongdoing, and half said they thought the White House had concealed damaging information — all before Mr. Leach spoke.

But the Times poll also showed that four of five Americans think the Whitewater affair is disrupting the government's effectiveness. The president and his advisers clearly think that this finding, at a time when the public seems to want action, can be turned to advantage.

Mr. Clinton held this week's prime-time press conference, only the second of his administration, to try to regain the offensive, to turn people's minds back to health care, crime and other issues, but Mr. Leach prevented that.

The press conference was about Whitewater, and the president looked beleaguered, although he was still a scrappy defender of his and his wife's ethical sensitivity and commitment to public service.

"Since we came here, our country has been moving in the right direction," he said, listing issues he has driven to the top of the national agenda and bills he predicted Congress would pass this year.

He argued that Whitewater would ultimately matter little "in the light of history" compared with "the fact that by common consensus we had the most productive first

year of a presidency last year of anyone in a generation."

The White House strategy is to portray Mr. Clinton as the high-minded statesman, concerned for the nation but harassed by Republicans acting out of the basest of motives and by the equally selfish, headline-hungry news media.

The Easter Congressional recess, which begins this weekend and runs through April 11, now looms large for Mr. Clinton. While he takes a brief vacation in California and works on his regular-Joe image by attending University of Arkansas basketball games, the denizens of Capitol Hill will be busy taking soundings back home.

Already, many are worried, especially Democrats, fearful of heavy losses in November. Their apprehension is pushing them ineffectually toward the hearings they have so strongly opposed.

Senator Bob Dole of Kansas, the Republican leader, said he expected hearings soon, probably by June, and many Democrats are starting to argue that it would be better to get them out of the way.

The trouble is that few in Congress even pretend to know the truth about the charges. As Ted Van Dyke, a longtime Democratic strategist, said this week, "No Congressional Democrat wants to dispute charges made against the Clintons only to find the following day that they are true or that new ones have surfaced."

### POLITICAL NOTES

#### Lawmakers Lean on Lobbyists

WASHINGTON — The House of Representatives has voted, 315 to 110, to make virtually all lobbyists report how much they spend to influence Congress, and to ban altogether the meals and gifts they have long rained on legislators.

It was the most muscular attempt to curtail the influence of money on the lawmaking process since at least 1989, when Congress enacted broad ethics reforms, and the first overhaul since 1946 of the rules governing lobbyists.

The bill's chief Democratic sponsor, Representative John W. Bryant of Texas, predicted that the prohibitions on gifts and favors would become stricter when House and Senate conferees meet to combine their two bills.

The bill passed Thursday intends to control the problem in at least three ways. First, it rewrites the definition of a lobbyist, now vague, to include anyone paid more than \$2,500 in any six months, or any group or firm that spends more than \$10,000 a year, to influence government action. Second, it requires them to file twice-a-year reports disclosing clients, the issues they are working on, their income and expenses and the congressional and federal offices they visit, among other matters.

Finally, the bill bans lobbyists from giving legislators or their aides meals, gifts, entertainment, trips or anything else of more than inconsequential value, like coffee and doughnuts. (NYT)

#### Rethinking the New Fighter

WASHINGTON — The U.S. Air Force should re-examine the need for its next-generation fighter aircraft, the F-22, and postpone its deployment by seven years because the threat that justified the \$99 billion program no longer exists, a congressional report said.

The General Accounting Office found that the air force's current top-of-the-line fighter, the F-15,

will be more than sufficient to counter any potential adversary through at least 2015. Although the report stopped short of recommending that the program be canceled, it criticized the F-22 as a narrowly conceived, single-mission aircraft that may no longer be suitable to the diverse security needs of the post-Cold War era.

The report is likely to fuel growing congressional scrutiny of the program — one of the largest in the Pentagon's dwindling budget — and add to criticism that the military services have not done enough to tailor their weapons development to current threats. (WTP)

#### Clinton Prods the Slowpokes

WASHINGTON — President Bill Clinton says White House employees, including some top aides, have 30 days to complete security clearance procedures or they will be put on leave without pay. "About 90 percent of the people who work here have been through all the clearance. The others are going through the clearance," Mr. Clinton said Thursday when asked at a press conference about problems with background checks.

The security clearance problem, one of the latest in a number of embarrassments for the White House, surfaced two weeks ago after published reports that scores of White House employees, including the press secretary, Dee Dee Myers, had not yet received permanent security passes. (AP)

#### Quote/Unquote

Partisan recriminations after the House failed to pass a crime bill before a two-week holiday break: Representative David Dreier of California, a Republican: "We implored the Democrats to work with us. For them to blame us now for stalling consideration is absurd."

Representative Charles E. Schumer of New York, a Democrat: "The Republican Party only wants one issue around: Whitewater." (AP)

## An Outspoken Goldwater Now Outrages the Right

By Timothy Egan  
New York Times Service

PHOENIX, Arizona — When he said government had no business trying to outlaw abortion, some people told him to retire from politics.

When he spoke out in favor of a new Phoenix law protecting homosexuals from discrimination, and said they should be able to serve in the military, that got him in more trouble.

And when Barry Goldwater, former senator and an Arizona institution who has been ranked with the Grand Canyon among this state's icons, endorsed a Democratic woman for Congress over a self-styled "Goldwater Republican" in 1992, he was called a traitor. The Democrat, Karen English, won.

And since Mr. Goldwater said last week that Republicans in Congress should get off President Bill Clinton's back about the Whitewater affair, critics say the author of "The Conscience of a Conservative," sometimes called the father of modern American conservatism, has become — close your ears, Rush Limbaugh — a liberal.

Calls have been pouring into Republican headquarters at the Barry Goldwater Center here, demanding that his name be removed from the building. Some Republicans say he does not deserve to have the high school in Deer Valley, the boulevard in Scottsdale, the airport wing in Phoenix, or the engineering center at Arizona State University named after him.

To hear some tell it, it is as if George McGovern suddenly decided the Vietnam War wasn't such a bad idea after all.

"The hero of America's conservative movement is starting to sound like he's lost it," said Sydney Hoff-Hay, president of the Lincoln Caucus of the Arizona Republican Party. "It's sad, because the name

Barry Goldwater is revered by people like me."

Other Republicans are even harsher.

"This idea that he's Mr. Republican is a bunch of baloney," said Jay Neuninger, executive director of Arizona's leading anti-abortion group. "He's really becoming a joke."

Mr. Goldwater denies any change in party stripes, and his supporters say many of his comments merely reflect long-standing libertarian beliefs. Asked about Republican criticism of his recent statements, he replied, "You know something, I don't give a damn."

Many Arizona Republicans suggest that Mr. Goldwater's recent remarks have been influenced by his new wife, Susan, a nurse 30 years his junior whom he met when she visited his house to take his blood pressure. Critics also suggest he has been swayed by his grandson, Ty Ross, who recently announced that he is gay and has tested HIV positive.

But others scoff at the notion that he is being manipulated. "I've known him well for 30

years," said Dodie Londen, chairwoman of the Arizona Republican Party. "He has never been afraid to speak his mind."

At 85, Mr. Goldwater uses a cane and a hearing aid, but he is still granite-jawed and has a head of pure white hair. And according to his aide, Doris Berry, he has no major illnesses. To supporters, he is no less outspoken now than when he first went to the Senate in 1952 and went after unions.

When he was the Republican presidential nominee in 1964, Mr. Goldwater was characterized as an extremist. He wore the title proudly, proclaiming, in words that are perhaps his most famous, that "extremism in defense of liberty is no vice; moderation in the pursuit of justice is no virtue."

Those words are now evoked by gay rights advocates, who view Mr. Goldwater as a hero.

"A lot of people who think of themselves as Goldwater Republicans do not know what it really means to be a Goldwater Republican," said Tom Panicia, a former U.S. Air Force sergeant who was discharged last year after he pro-

claimed his homosexuality. "He has always had a near libertarian stance on keeping government out of people's lives."

At the time Mr. Goldwater wrote a letter on Mr. Panicia's behalf to Senator Sam Nunn, the Georgia Democrat who heads the Armed Services Committee and is opposed to homosexuals in the military.

Similarly, Mr. Goldwater has been outspoken in favor of abortion rights, in his disgust over fundamentalist Christians who have influenced the Republican Party, and other issues.

The topper, for many Republicans, came last week when he summoned reporters to his house in Phoenix suburb of Paradise Valley, and in a press conference broadcast live in the area, said Republican critics of Mr. Clinton's handling of the Whitewater real estate venture should "get off his back and let him be president."

Paradise Valley's station KFYI, which caters to a conservative audience, cut off the press conference after about 15 minutes. Barry Young, the station's program director and a talk show host, said on



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**About the Author**  
Born in Germany, Dr. Gerhard Kutz has been an investigative journalist, most of his working life. His uncompromising style/journalism has earned many enemies/bankruptcies and chasing businesses to try and suppress him through civil and criminal proceedings. Out of hundreds of legal cases over two decades he lost only one - against the German authorities.

A confirmed cosmopolitan, Dr. Kutz has been a frequent visitor to all continents, a freelance contributor to "Spiegel", "Stern" and "Nouvel Revue" and has written several books and reports including "2187 Tax Havens", "How to Avoid Taxes", "How to Make Money" and "How to Gain Your Rights". He also published "Kurtz-Red", a successful financial newsletter, and has written a series of "secret reports" on hot issues such as Tax Evasion.

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## NASA Programs Face More Gravity

New York Times Service

WASHINGTON — NASA's efforts to reinvent itself and do more with less money are likely to fail, according to a congressional report, and the agency should consider alternatives such as ending manned space flights and the space station program.

The Congressional Budget Office report said the National Aeronautics and Space Administration would have to "narrow its objectives" in the face of budget cuts.

The agency has been trying to trim costs by canceling or delaying programs, reducing others and operating with greater efficiency, the office said.

But its analysis of the agency's plan "concludes that improving the way NASA conducts its business — buying more for less — is unlikely to produce significant budgetary savings for the next five years."

NASA's strategy of continuing its ambitious projects, like the space station, despite a shrinking budget and a history of habitual cost overruns, probably will not succeed, it said.

In response, the space agency's administrator, Daniel Goldin, said

the agency would not back away from its traditional program for one with a much narrower mission.

"The report takes a defeatist approach and sends a chilling message to any government agency that dares reinvent itself," Mr. Goldin said.

The report said that NASA should consider reducing its broad sweep of programs and doing a few things well instead of struggling with many, it said.

The study offered these examples of how NASA could focus on some of the things it does now at different budget levels:

- At the present budget level of \$14.3 billion a year, the agency could concentrate on manned space flight, including building the space station and planning for eventual manned missions to the Moon and to Mars. This plan would severely restrict the current emphasis on space science, like astronomy and Earth environmental missions.
- The agency could spend \$11 billion a year to emphasize robotic spacecraft and conduct only a few space shuttle flights a year, instead of the current eight. Such a plan

would de-emphasize manned flight and result in canceling the space station.

• NASA could stop all costly manned space flight and concentrate on robot spacecraft, as well as developing new technology for private industry. Such a program would cost only \$7 billion a year, the report said.

Representative George E. Brown Jr., the chairman of the House space committee, said the report made it clear that "the space program as a whole is in serious trouble."

#### French Enter Airbus Inquiry

MOSCOW — Russian officials will send the flight recorder from a Airbus 310 jet that crashed in Siberia to Paris for decoding, the head of the carrier operating the airliner said Friday. All 75 people aboard were killed when the AeroFlot plane crashed Wednesday on a flight from Moscow to Hong Kong.

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### Away From Politics

• A national hot line for recipients of silicone breast implants was deluged with calls as a judge began considering a \$3.7 billion settlement that would pay thousands of health claims. The operation of the toll-free telephone number was the first step toward carrying out an agreement announced Wednesday in Birmingham, Alabama. "We probably have 6,000 calls already," said Elizabeth Cabraser, a lawyer for the women, "and we have to keep expanding the capacity." The hot line gives implant recipients the opportunity to be put on a nationwide mailing list.

• No more priority for Priority Mail, or so says the U.S. Postal Service, which no longer will promise to deliver Priority Mail envelopes within two days. Postmaster General Marvin T. Runyon said he had ordered all advertising of the two-day, \$2.90 service said he had ordered too much of the two-day mail cannot be delivered within that time.

• Two members of the crew of Biosphere 2 are suing for back pay after living under glass for two years. They say they often worked more than 40 hours a week inside the sealed dome and did not get paid overtime. Jane Poynter, 31, and Taber MacCallum, 29, also said they were never paid a promised \$10,000 bonus.

• Murder charges will not be filed against a boat captain accused of smuggling 72 Haitians into Florida waters, where four of them drowned trying to swim ashore, federal prosecutors said. Instead, an additional charge of criminal negligence was brought against the captain, Richard Bennett Barker, who already faced one count of conspiracy and 27 counts of alien smuggling in the Feb. 7 voyage. The Haitians were dropped off at night in rough surf off about 90 miles north of Miami. Two adults and two children drowned.

• Tornadoes injured eight people in central Georgia, and a mobile home and a house were destroyed, the authorities said. AP, Reuters

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## U.S. Moves to Ban Smoking at Work

Compiled by Our Staff From Dispatches  
WASHINGTON — The government on Friday proposed a sweeping ban on smoking in the workplace, saying that millions of employees faced unnecessary health threats because of drifting tobacco smoke.

"Lives will be saved, health care costs reduced and productivity increased," said Labor Secretary Robert B. Reich.

Millions of workers will benefit, he said.

The department's proposal under federal occupational health and safety laws could affect more than 6 million job sites, including industrial plants, restaurants, offices and other commercial buildings.

The smoking ban is included in a proposal aimed at broader improvement of air quality in the workplace.

It is expected to be revised in the coming months after a period of public comment. Officials said a final rule probably would not take effect until late 1995, at the earliest.

The regulation would require that all employers designate a separate smoking area in a place with its own ventilation system.

The Labor Department estimated that the smoking restrictions would cost industry about \$6.6 billion a year, but Mr. Reich said they also are expected to produce \$15 billion in benefits because of improved worker productivity.

The Environmental Protection Agency released a study last year showing the dangers of exposure to so-called second-hand smoke, but the Occupational Safety and Health Administration is the only federal agency that has the authority to regulate smoking at work.

Administration sources said that while employers with 10 or fewer workers usually are exempt from standards set by the Occupational Safety and Health Administration, the proposed restrictions would apply to all indoor work sites.

Twenty states have adopted regulations governing smoking, but Washington is the only state with a workplace ban in effect, according to the Tobacco Institute.

The head of the Food and Drug Administration, Dr. David A. Kessler, charged Friday that the tobacco industry was systematically researching ways to add specific amounts of nicotine back into low-nicotine cigarettes.

Appearing before a congressional subcommittee, he criticized tobacco companies for denying that nicotine is addictive.

Two-thirds of the 50 million adult smokers say they wish they could quit, he said. But fewer than 1 in 10 succeed.

"Most smokers are in effect deprived of the choice to stop smoking," he said.

## AMERICAN TOPICS

### Blurring the Borders In U.S. College Studies

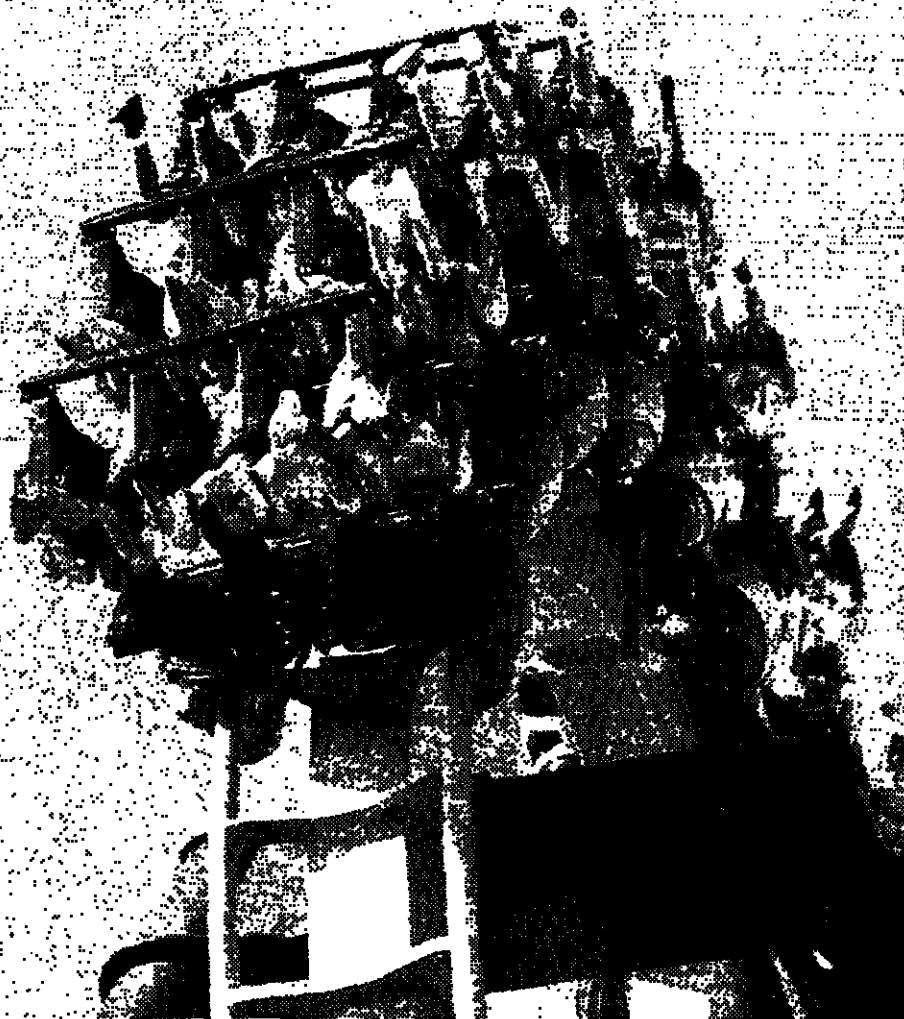
Interdisciplinary studies are flourishing at American colleges and universities. The New York Times reports, Biology is merging with physics and chemistry, anthropology is borrowing from literary theory and feminist studies, and economics is mixing with cognitive psychology and bioscience studies.

"The boundaries between disciplines are becoming blurred," said Sheldon Hackney, chairman of the National Endowment for the Humanities. "We've reached the point in the study of American history where you can't tell the difference between what the sociologists, the political scientists and the historians are doing."

Of course, interdisciplinary studies are not new. But in the past, scholars would leap academic borders to solve a specific problem and then retreat. Interdisciplinary studies were sometimes ridiculed as dilettantism, along the line of "if you can't do anything, try everything." And they still must contend with entrenched departmental jealousies on many campuses.

But, says Colin Lucas, dean of the graduate division of social sciences at the University of Chicago, these days "you don't just acquire a technique, but new forms appear within your discipline, modifying the discipline itself."

Robert Pollack, professor of biological sciences at Columbia University in New York, said, "Such old disciplines as zoology and botany are fading, replaced by studies like structural biology, which marries physics, chemistry and biology."



CALIFORNIA FUN — Roller coaster riders at a theme park in Valencia swinging upside down on the Batman ride, which propels its passengers through two vertical loops and two corkscrews.

### Short Takes

The awarding of Oscars to Tom Hanks, as an AIDS-stricken lawyer in "Philadelphia," and Holly Hunter, as a deaf-mute in "The Piano," comes as no surprise to The Washington Post, which notes that members of the motion picture academy have always doted on the handicapped.

Al Pacino won last year playing a blind man in "Scent of a Woman." Daniel Day-Lewis won in 1989 for "My Left Foot," in which he had cerebral palsy. Dustin Hoffman, winner in 1988 for "Rain Man," was autistic. The tradition goes far back: Jane Wyman won in 1948 for "Johnny Belinda," in which she was a deaf-mute.

The California Beach Volleyball Association, according to a local magazine advertisement, lists membership rates as \$20 for "California residents," \$25 for "non-California residents" and \$45 for "all others."

Arthur Higbee

## Hosokawa's Job Rating Drops Sharply in Poll

Compiled by Our Staff From Dispatches  
TOKYO — Prime Minister Morihiro Hosokawa's popularity continues to decline sharply, an opinion poll by the newspaper Yomiuri Shimbun showed Friday.

A survey of 3,000 voters published by the newspaper found that the number of Japanese wanting Mr. Hosokawa to step down had nearly doubled in the last two months.

Asked how long Mr. Hosokawa should stay in power, 19 percent said they wanted him to quit immediately, up from 11 percent in January. Only 17 percent of respondents replied that they wanted him to remain in office "as long as possible," down from 31 percent in September.

Asked which party they would support if the lower house of parliament were dissolved for an election, 28 percent cited the Liberal Democratic Party, which lost its hold on power last August, 11 percent chose the Japan New Party, and 10 percent each picked the Japan Renewal Party and the Social Democratic Party.

Popularity for the Japan New Party, which is headed by Mr. Hosokawa, recorded a decline from 18 percent in January to 11 percent in March, while the Liberal Democrats gained by 3.3 percentage

points and the Social Democrats by 2.5 percentage points.

Elections for the lower house, whose members serve four-year terms, are not due until July 1997, but the prime minister can call elections at any time.

Yomiuri Shimbun also reported Friday that a plan had been drafted to unite Mr. Hosokawa's coalition into a single party. It said the plan called for merging the eight coalition parties, including the Socialists, although it would jettison the Socialists' extreme left wing.

The plan also called for signing up 70 defectors from the Liberal Democratic Party. The moves would enable a new alliance party to field candidates in all 300 single-seat districts of the lower house.

The newspaper said the plan had been discussed at a meeting this month among Mr. Hosokawa, former Liberal Democrats and a top coalition strategist, Ichiro Ozawa. Coalition officials declined to comment on the report, but said such a plan would be certain to accelerate a long-sought realignment of the political parties.

They said such a plan would push the two entrenched Cold War-era parties, the Socialists and the Liberal Democrats, closer to schisms or even extinction.

(AFP, Reuters)

## Missing Soldiers Rescued On Mountain in Malaysia

Reuters

KOTA KINABALU, Malaysia — Five British and Hong Kong soldiers missing for four weeks on an adventure training exercise on Mount Kinabalu were found weak but alive on Friday and a helicopter plucked two of them to safety.

One British and one Hong Kong Chinese soldier were taken to a hospital on arrival here, capital of Malaysia's north Borneo state of Sabah.

The helicopter crew winched the two soldiers out of a deep canyon on the 4,100-meter (13,450-foot) mountain just before nightfall, said General Yusuf Hussin, the head of the British-Malaysian search team. Darkness prevented the other three, who were in better shape, from being brought out immediately.

A British Royal Air Force team and hundreds of Malaysian soldiers and park rangers had searched the mountain for three weeks, after the soldiers failed to return on schedule.

## KOREA: U.S. to Send More Arms

Continued from Page 1  
more plutonium than they say," said the agency's executive director, Hans Blix. "How much we can't say."

Mr. Blix was in New York to brief Security Council members about about Pyongyang's restrictions on inspections in some nuclear installations. He "made it very clear there had been serious problems," said Britain's chief UN representative, Sir David Hannay. "I think the news he gave us was disturbing."

Council members were to consult privately Friday on a draft resolution urging North Korea to permit unrestricted inspections. A vote is expected next week.

The South Korean president, Kim Young Sam, in Tokyo, called on the North to fully open all its suspect nuclear installations to UN inspection to calm fears of a "nuclear holocaust" in the region.

"We must survive to establish a world free from the fear of war and nuclear holocaust," Mr. Kim said during a visit in which he has held talks with Japanese leaders on the nuclear issue. "In this context, North Korea's lack of nuclear transparency is an ever more urgent issue."

Mr. Kim also said he expected Beijing to refrain from using its veto on the Security Council as the council considered action against Pyongyang.

"China does not want North Korea to develop nuclear weapons," he said. "I don't think China will do anything that would risk international isolation, as all eyes are on the issue."

Meanwhile, a proposal by Russia for an international conference on the nuclear issue drew a cool response from the United States and South Korea. The U.S. State Department spokesman, Mike McCurry, said the most appropriate forum for resolving the situation was the United Nations.

At a White House news conference Thursday night, President Bill Clinton praised Russian peace-keeping efforts in Bosnia and noted that the Russians had made a suggestion on Korea. "We'll see what happens there," he said.

Clinton administration officials said the United States had recently pressed South Korea's armed forces to correct deficiencies, including inadequate capabilities to counter artillery, fight at night or follow modern military doctrine that calls for considerable battlefield maneuverability.

Washington also has urged Seoul to buy additional Patriot anti-missile systems to help protect major cities south of Seoul, the officials said. The Patriot battalion that Mr. Clinton on Monday ordered sent to South Korea will be capable only of defending U.S. military bases near Seoul, they said.

(Reuters, AFP, AP, WP)

### Vatican-Cambodia Ties Set

Reuters

VATICAN CITY — The Vatican established full diplomatic relations with Cambodia on Friday. A Vatican statement said an estimated 20,000 Catholics live in Cambodia, about 16,000 of them ethnic Vietnamese.

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| Norway N.Kr.                                       | 770            | 48                   | 420                     | 230                       |
| Portugal Esc.                                      | 3,500          | 35                   | 1,900                   | 1,050                     |
| Spain Pes.   | 47,000         | 38                   | 26,000                  | 14,000                    |
| Sweden (airmail) S.Kr.                             | 48,000         | 34                   | 26,500                  | 14,500                    |
| Switzerland S.Fr.                                  | 55,000         | 34                   | 27,500                  | 14,500                    |
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# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Mexico: Shaken but Strong

For Mexico this has been a year of trial by fire, and it is only March. After the jolt of a January guerrilla uprising, Wednesday's assassination of the front-running presidential candidate, Luis Donaldo Colosio, has profoundly shaken the confidence of what was long thought to be one of Latin America's most stable political systems. On the U.S. side of the border, investors who welcomed Mexico's emergence as an open and modernizing economy are now reassessing their bets.

But panic would be exactly the wrong response in either country. Without pretitling Mexico's still imperfect democracy, Washington should strongly reaffirm its confidence in and commitment to Mexico's underlying stability and its continuing reformist course. And Mexico should continue buttressing its economic reforms with greater democracy, a cause Mr. Colosio identified himself with.

The very day Mr. Colosio was murdered at a Tijuana campaign stop, Mexico's Congress was voting for constitutional changes proposed by President Carlos Salinas de Gortari in an effort to make the August presidential election the most cleanly run in the country's modern history.

These changes stemmed from Mr. Salinas's enlightened recognition that the Indian rebellion in Chiapas signaled a broader need to rebuild popular faith in a political system too often vulnerable to accusations of fraud and bossism. President Salinas has also responded well to the Chiapas crisis by pro-

moting a negotiated solution with the rebels.

One consolation for this year's troubles is the encouraging resiliency it has called forth from a political establishment once notorious for its complacency. During the last presidential election year, 1988, the Institutional Revolutionary Party, or PRI, which has been in power since 1929, was so rigid and unresponsive that it became an embarrassment even to its own candidate, Mr. Salinas.

Today, largely thanks to him, the PRI is stronger and more popular, though it is still no paradigm of internal or external democracy. A reasonably open and competitive process for choosing a candidate to succeed Mr. Colosio would be a useful further advance.

Also important at this stage is to undertake a credible inquiry into the Colosio killing and to assure a verifiably free and fair election campaign and vote count. The United Nations and the Organization of American States, both experienced in supervising Latin American elections, should make themselves available to help, if so requested.

Mexico's friends share its horror and outrage at this intrusion of murder into its political life. Assassination is the polar opposite of democracy — a man with a gun stealing choices that belong to a majority at the ballot box. The best response would be for government and opposition parties to agree to reinforce democracy by accelerating the political reforms already under way.

— THE NEW YORK TIMES

## Remember El Salvador

A crucial element in the United Nations' peace plan for El Salvador fell into place with the country's first-ever elections involving parties across the political spectrum. Complaints of fraud arose from, chiefly, failure of the rightist government (whose own supporters were already registered) to draw in the full membership of an unfranchised leftist constituency. Still, the governing ARENA party's presidential candidate failed to win a first-round majority and faces a runoff. Even if Armando Calderon Fournier prevails over the left, Ruben Zamora, ARENA may lose the legislature. Two years after laying down arms, the former guerrillas are the second political force in the land.

The outgoing ARENA president, Alfredo Cristiani, played a major role in this transition, with his courageous start on purging the ARENA-linked security forces of human rights abuses. In the time before his successor and the new legislature are seated at the end of May, they need to quicken land transfers, expedite deployment of the new national civil police and enact constitutional changes ensuring judicial reform.

The United Nations did much to help the transition still under way. It designed a peace — it has been called a "negotiated revolution" — that stopped most of the slaughter and addressed the feudal roots of the conflict. Electoral reforms leading to last Sunday's elections were just one part of its work. Investigations of abuses by a Truth Commission were another part. Reconstruction and development were begun.

Here U.S. policy becomes painfully topical. In the 1980s, when El Salvador was regarded as a key Cold War front, the United States poured in billions to oppose Moscow-supported guerrillas. When fatigue and stalemate produced a settlement, Washington undertook to underwrite it. This year, however, Washington proposes to send only \$94 million in aid, against a minimal \$230 million last year. This cut and the fall in coffee prices are forcing Salvadorans to choose between financing economic stabilization and financing the peace accords. Either way, the country loses.

El Salvador is not the only former Cold War pawn now watching in dismay as the United States turns to larger or stunner pieces. But there Americans took on a strong obligation to help people struggling for a decent life. Washington should not be sending the message that it sheds its obligations when a country — a friendly neighbor — turns from war to peace.

— THE WASHINGTON POST

## Too Many Secrets by Far

President Bill Clinton has a chance not only to make history but to assure its more honest rendering by historians. A draft executive order that would declassify tens of millions of secret documents, prepared by the National Security Council, is now being circulated to key federal agencies for comment. If the order survives the expected fusillade by guardians of the secret files, Mr. Clinton can with the stroke of a pen honor his repeated promises for more open government.

Under the proposed policy, the presumption will be in favor of openness in deciding whether a document should be classified in the first place, reversing the priority established by a 1981 executive order from President Ronald Reagan. Most documents would be automatically declassified after 25 years, which seems a reasonable limit, ending the ludicrous restrictions that still seal files at the National Archives dating from World War I.

Still, even if the draft order survives its first bureaucratic test, and even assuming there are no snags hidden in the fine print, Mr. Clinton will not win the war for more openness with the mere flourish of a pen. The cunning of the seasoned bureaucrats who would have to carry out the order can never be underestimated. They could nullify the order by the elastic use of loopholes in existing legislation meant to prevent exposure of truly sensitive national security documents.

## Other Comment

### The Crisis in Mexico

Now that a terrible act of violence has thrown Mexican politics into greater uncertainty and turmoil, Mexico's friends must stand firm in support of outgoing President Carlos Salinas de Gortari and the extraordinary progress he has come to personify.

Luis Donaldo Colosio, 44, was Mr. Salinas's handpicked choice to be the candidate of the powerful Institutional Revolutionary Party, or PRI. Mr. Salinas was counting on Mr. Colosio to carry on his economic policies, especially implementation of the historic North American Free Trade Agreement. Mr. Colosio was acknowledged to be a capable

and decent man; his death is a loss to Mexico.

Many financial analysts fear the assassination will set back, at least in the short term, Mexico's economy. Coming on the heels of a brief but bloody peasant rebellion in Chiapas, the murder can mean only added pressure on Mexico's still shaky finances.

Mr. Salinas and the new generation of young political leaders have had the intelligence and foresight to begin to reform a moribund, state-dominated economy, and with breathtaking speed. Mexico's foreign friends now must show similar foresight and courage as Mr. Salinas and his colleagues try to contain the political crisis.

— Los Angeles Times

## Hard-Headed Help for a Changing Russia

By Richard Nixon

NEW YORK — Those who suggest that because of its vast problems Russia should no longer be treated as a world power ignore an unpleasant but undeniable truth: Russia is the only nation in the world that can destroy the United States.

Therefore Russia remains America's highest foreign-policy priority. The Russia I saw on my latest trip is a very different nation from the one I visited just one year ago. Optimism about the future is being replaced by pessimism. A strongly pro-American attitude has in many cases become disturbingly anti-American.

Today, largely thanks to him, the PRI is stronger and more popular, though it is still no paradigm of internal or external democracy. A reasonably open and competitive process for choosing a candidate to succeed Mr. Colosio would be a useful further advance.

Also important at this stage is to undertake a credible inquiry into the Colosio killing and to assure a verifiably free and fair election campaign and vote count. The United Nations and the Organization of American States, both experienced in supervising Latin American elections, should make themselves available to help, if so requested.

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El Salvador is not the only former Cold War pawn now watching in dismay as the United States turns to larger or stunner pieces. But there Americans took on a strong obligation to help people struggling for a decent life. Washington should not be sending the message that it sheds its obligations when a country — a friendly neighbor — turns from war to peace.

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gman, the Liberal Democratic Party chairman Vladimir Zhirinovskiy and former Vice President Alexander Rutskoi — stated categorically that there can be no return to the Soviet past. And all assured me that they would pursue their objectives through constitutional means.

Mr. Zyuganov is an impressive Communist Party hard-liner, but when I asked him if the nation could ever return to communism, he ruefully replied, "No, we cannot cross the same river twice."

After 75 years of godless communism in Russia, today God is alive and communism is dead.

Although Mr. Yeltsin reacted negatively to my seeing Mr. Rutskoi, he

Yeltsin is still a political heavyweight but he is no longer a superman.

America should pay attention to the new generation of leaders.

should realize that Rutskoi supporters will split the Zhirinovskiy vote, reducing the threat.

Mr. Zhirinovskiy is a ruthless, shrewd demagogue. But after examining him at length on issues ranging from his views on foreign policy to his attitude toward the United States and anti-Semitism, I share the view of President Leonid Kravchuk of Ukraine: He will not be elected president of Russia.

He lacks the presence and conviction to lead a great nation. When I questioned him about some of his ludicrous statements — that California would one day be part of Mexico, that Miami would be a black republic, that Paris would be an Arab city — he referred to opinion polls about his popularity.

One of his top associates, who had attended our meeting, said later that Mr. Zhirinovskiy had intentionally adopted the extravagant posture of a holy fool. For centuries, these *yurodivyi* were opposition figures whose very inadequacy protected them from brutal repression. Although Russians have always had a soft spot for holy fools, they have never chosen them as their leaders.

As Mr. Zhirinovskiy will soon discover when he enters the presidential sweepstakes.

The most disturbing development since the December election has been the sea change in Russia's foreign policy. The rhetoric of Foreign Minister Andrei Kozyrev has

shifted 180 degrees. Before the election, he was too pro-American for his own good. Now he has changed his emphasis on universal human values and commonality of interests with America to a renewed Russian superpower role and the need for Moscow to chart its own course. It is without question a change of the head, not the heart. He has read the election returns and is reacting like any other politician.

Most important, the United States should be candid with Russia when our views do not coincide. We are great world powers and our interests will inevitably clash, but the greatest mistake we can make is to try to drown differences in Champagne and vodka toasts at "feel-good" summit meetings. The highest art of diplomacy is not to paper over irresolvable differences with glibly worded but to find a way to disagree without damaging profoundly important strategic relationships.

In implementing the Partnership for Peace, the West cannot allow Russia to determine the future of NATO. The alliance is too important to the United States and to Europe to be sacrificed for the sake of Russian sensitivity.

Moscow should be offered guarantees that NATO expansion to include Poland, Hungary, the Czech Republic and Slovakia will take place gradually and will not endanger Russian interests. If Russia does not find those guarantees adequate, we will have to agree to disagree. Russia must not be given a veto over a NATO decision to expand.

Russia has legitimate interests in the region, particularly for the protection of 25 million Russians in the former Soviet republics who sudden-

ly are foreigners in their own land. The claim that Russia is again becoming an imperialist power is exaggerated. Despite their imperial nostalgia, most Russians and their leaders are reluctant to engage in new adventures or even accept economic responsibility for the other newly independent states.

The independence of all the former Soviet states is important. The independence of Ukraine is indispensable. A Russian-Ukrainian confrontation would make Bosnia look like a Sunday school picnic.

Moscow should be made to understand that any attempt to destabilize Ukraine would have devastating consequences for the Russian-American relationship.

Ukrainian stability is in the strategic interest of the United States. To the extent that Kiev is prepared to proceed with economic reforms, supporting these efforts should be a U.S. national security priority.

I found no one who had a good word for the U.S. aid program. The issue is not the amount but how it is administered. Rip-offs, shakedowns and corruption among recipients, along with incompetence among administrators, have created enormous disillusionment.

President Bill Clinton would be well-advised to order an immediate comprehensive review of aid to Russia and the other former Soviet states.

Reform is in the interest of freedom. Its success would provide an example for others to follow; its failure would embolden dictators and would be disastrous everywhere. It is a miracle that the new Russian revolution still shows promise. The reformers may fail even with our help. They will certainly fail without it.

Mr. Clinton deserves bipartisan support on providing adequate aid to the forces of freedom in Russia. But this support should be hard-headed, without illusions about Russian conduct and without the sacrifice of U.S. interests.

The former U.S. president returned a week ago from his 10th trip to Moscow in 35 years. He contributed this comment to *The New York Times*.

By PLANTU in Le Monde (Paris). C&W Syndicate.

yang's bomb-making and its parish status, even as they develop trade links with the South. China, as neighbor and erstwhile friend, should play a key role. Perhaps it alone has the ability to assuage Pyongyang's paranoid fears, and some legitimate concerns, while not compromising its budding relationship with the South.

Possibly, Pyongyang is itself only interested in unconditional surrender or the right to make trouble. But the odds are that it is trying to get maximum leverage out of the one bargaining card it has.

The stationing of Patriot missiles in the South is a negotiating move, as well as a public relations response, to the North's recent tantrum at Panmunjom. The staging of U.S.-South Korean military exercises would be a larger such move — more costly for the North, which felt it had won a big point by getting it canceled. It would also restore the North to go on full alert for 10 days, using scarce fuel. If the military moves put added pressure on Pyongyang and keep Washington hot heads at bay, they may do some good. But if they become part of a tit-for-tat process that puts the broader issue into the background, they will serve no purpose.

The Korean question is not as immediately dangerous as the headlines suggest. But sustained high-level attention from Washington and clear means and goals agreed with Seoul and discussed with China and Japan are needed. The charged atmosphere of recent days does not give President Kim much room for maneuver without sounding weak in the face of North's bombast. But his visit to China is a rare chance to involve Beijing in a broader settlement. If that seems like a reward for Kim Il Sung's nuclear program, so be it. There is an honorable bargain to be made.

International Herald Tribune.

1894: William's Dream

BERLIN — It is now clear what the ambition of the Emperor William I. He dreams of a revival of the Holy Alliance of Austria, Germany and Russia. All his recent policy is inspired by this object. The successful conclusion of the Russo-German Commercial Treaty is the first move in his game. The successful conclusion of an Austro-Russian commercial treaty is the next step. When that has been successfully carried through His Majesty reckons that the relations of the Northern Power with her Western neighbors will be so far improved that the subject of a revival of the *Dreikaiserbund* will not only be possible but will be welcome to the Czar.

1919: Trotsky Jubilates

STOCKHOLM — A telegram from Moscow says: During the last meeting of the Council of Workers and Soldiers, Trotsky celebrated in in-

flammatory terms the seizure of power by the Hungarian Communists. He announced to the Bolshevik Assembly that an army was already about to cross the frontier to aid the Hungarian brothers. In closing, Trotsky launched a vehement attack on the workingmen of the other States of the Dual Monarchy. He demanded that they overthrow all Governments that are enemies of Socialism and replace them by Soviet Republics.

1944: Curfew for Jews

JERUSALEM — [From our New York edition.] British authorities imposed a rigid curfew today [March 23] and invoked the death penalty for violence and sabotage to curb an outbreak of bombing and shooting by Jewish extremists which since Thursday night has caused seven deaths and injuries to many persons. The curfew, effective until further notice, was imposed on the Jewish sections of Jerusalem, Haifa, Jaffa and all of Tel Aviv.

The New York Times.

## Two Keys To Peace in The Balkans

By Stephen S. Rosenfeld

WASHINGTON — The Clinton administration has a plausible plan to end the Yugoslav crisis. It rests on Krajina in the northern part of the Balkan region and Kosovo in the southern. Success would terminate the war in the north and deter war in the south.

In the north, the dispute between Serbs and Croats for a suitable place in the post-Yugoslavia sun is central. But the Serb-Croat-Muslim struggle in Bosnia, terrible as it is, is politically secondary and is under active and so far cooperative diplomatic treatment by Washington and Moscow.

The primary Serb-Croat arena lies in Serb-people, Serb-held Krajina, inside Croatia. Krajina Serbs demand sovereignty. But that would dismember Croatia. The answer is very broad autonomy for the Krajina Serbs.

In the southern Balkans, ethnic Albanians, who are Muslims, are at center stage. Their connection with other parties is difficult. The most explosive location is Kosovo, where sovereign Serbia harshly represses a large Albanian majority. Kosovo's Albanians call themselves "the Republic of Kosovo" and, though they are careful about use of the provocative word "sovereignty," that plainly describes their goal. But that would dismember Serbia. The answer is broad autonomy for Kosovo's Muslim Albanians.

There you have what might be called the Two-K Key Autonomy Model 1994 Peace Plan. Krajina and Kosovo hold the keys to a regional settlement. The same fair, symmetrical and principled prescription applies to both.

One principle is preservation of the formal sovereignty of existing states and rejection of the forcible change of national borders. The other principle is protection for endangered ethnic groups in those states. Autonomy is a status that can slide between a looser confederation and a tighter federation. It is not magic, but it is better than anything else on the board.

There are, of course, objections to this. You can already hear protesting Serbs, their nerves strained by suspicions of an American-Russian squeeze on their maximal Greater Serbia aspirations. They crave self-determination for Serbs in Krajina. But they wish to deny self-determination to Muslims in Kosovo. They want it both ways.

Muslims are wary too. In Kosovo they are linked ethnically to Muslims in Macedonia, Albania proper and beyond. To many Kosovans, autonomy looks pale in the gathering glow of Albanian ethnic passion. But here, in Albanian as well as Serbian ambition, lies the danger of widening the war outside the old Yugoslavia. Greece is making its own provocative contribution. This issue cannot be left hanging.

Does the Two-K Autonomy Model 1994 Peace Plan seem too simple? Any effective plan must be simple enough to be agreed on and implemented by cautious politicians. It must be understood and supported by inattentive publics. Close readers will recognize the debt this plan owes to the communiqué that the United States, Russia, Britain, France and Spain signed May 22, and then lost their grip on.

Or perhaps this plan is not vengeful enough for you. It isn't vengeful at all. It does not punish Croats and Muslims for failing to take into account, as they set up the new states of Croatia and Bosnia, that Serbs would resist involuntarily becoming citizens, and a minority, in a foreign country. Nor does it punish Serbs for their notorious policy, which in some places continues, of killing, displacing and robbing other peoples.

But there is plainly no taste in Moscow or Washington for a punitive expedition. It is unrealistic to expect the diplomats to do more than tidy up an awful mess. A modest proposal will have to be left to individual war-crimes prosecutions. A modest political compromise now needs no apologies.

Finally, you will say, all this could have been done long before. But a year ago circumstances weren't right. The battle of Bosnia was still on, keeping the parties from focusing on Krajina. The possibilities of explosion in Kosovo were insufficiently appreciated. Russia had not yet come forward to join the United States in forming a piece of the action. The two of them are forcing the pace upon clients who appear ready to have their arms twisted a bit.

The basic idea of this plan is to let democratic choice replace force to the extent possible without further war. It will not bring back the dead, but it could limit the future toll.

The Washington Post.

## Lower the Tone and Seek Common Korean Ground

By Philip Bowring

SEOUL — As Kim Young Sam begins a five-day official visit to China, there is a growing recognition in South Korea that China is as important to any resolution of the North Korean nuclear issue as Russia was to a Bosnian deal. That does not mean trying to persuade China to lean harder on Kim Il Sung, China,

The danger is less than the headlines suggest. There is an honorable bargain to be made.

clearly not worried that a conflict is imminent, has made it plain that it has done as much as it is willing to do on that score. It does mean that China should become a key player in devising a package solution to the interrelated issues on the peninsula.

This is in the first place a Korean issue, in the second a regional issue. Third and last should be the nuclear nonproliferation issue. Proliferation has become an obsession with some policymakers in Washington, at the expense of the Korean and regional dimensions. Ultimately, nonproliferation goals can only be achieved in that wider context.

Fixation with the International Atomic Energy Agency and inspection questions could drive the process up a blind alley, leading to North Korean

withdrawal from the Nuclear Nonproliferation Treaty. This would leave the North more isolated than ever, more determined to push ahead with its nuclear program. The United States and its allies would be reduced to bombast and sanctions which are unlikely to be supported by China and to which Tokyo is lukewarm.

A military solution can be ruled out. Few, least of all in South Korea, want a war to remove a tactically useless weapon, if such there be.

The North is devoted and desperate. Its leaders obsessed with survival. Their





## A Forgotten Artist Revived at Louvre

**PARIS** — The undoing of the social fabric that resulted in the French Revolution has generated tons of literature. Curiously, the breakup of the traditional artistic mold that accompanied it has barely attracted commentary.

One of its weirdest expressions is found in the oeuvre of Louis-Jean Desprez, on view at the Louvre until May 4. This is the first one-man show of the artist's work ever put together in France. Its alternation of bland topographical watercolors and extravagant

theatrical scenes, mixed, here and there, with nightmarish visions, raises questions that have never been considered. Goya on his own could be explained as a unique genius with visionary powers. Blake might be accounted for as a poet translating literary fantasy into watercolors. But Desprez was neither a genius nor a literate man — his French is ungrammatical, his spelling erratic.

Such a banal man's fantasy is more intriguing. Seen in sequence with the two famous artists, it points to a pattern. The life of Desprez, which oscillated between 18th-century coarse farce and Balzac-style tragedy, yields no clue. Desprez came from a modest provincial background. His father, who died weeks before his birth in 1743, was a barber. Nothing is known about the childhood of the future artist whose energy seems to have had no bounds.

How he came to attend the classes of the famous engraver Charles-Nicolas Cochin, who portrayed the establishment, is a mystery. The boy was only 12. Some time afterward, the irrepressible Desprez switched to architecture. He found himself enrolled in the studio of the equally famous Jacques François Blondel. The pupil was sufficiently esteemed to draw some plates engraved in 1770 in the master's "Leçons en Architecture."

The young man may have been dissatisfied, or he may have been given the boot for being overbearing — Blondel notes that Desprez had great confidence in his own achievements — for he went over to the studio of another, equally famous architect, Pierre Desmaison. One of his earliest surviving architectural projects earned him the Prix de l'Académie Royale d'Architecture in June 1766. Dedicated to Voltaire, it is an imaginary monument destined to honor the memory of great men. The long horizontal structure is neoclassical with spiky obelisks curiously springing up all over. At both ends, stepped conical roofs with big bulbous finials indicate that the architect had probably looked at some engravings showing Far Eastern pagodas. There was clearly a streak of fantasy in the young man. This is nothing, however, compared with the etching titled "La Chimère de M. Desprez," included among the first engravings published by the artist in 1771.

A three-headed monster, its body done like a skeleton with bits of muscles attached, strides as it picks with its beak at the head of a body it somehow chokes. A long caption explains the image as the illustration to an Ancient Roman myth for which no source has actually been found in Latin sources. It

would seem to have sprung out of the young architect's mind. The handling of vegetation, the proportions, the etching technique indicate a possible familiarity with Dürer's art. Even so, it stands out like the sick outburst of a deranged sadist.

In May 1774, Desprez married Anne de Vasmala, who appears in his life as a sad, lonely figure from an impoverished aristocratic background. This was only an interlude. All Desprez cared for was his career. He desperately wanted the Grand Prix de Rome, the key to a secure future for an aspiring artist. It meant a three-year stay in Rome free of cost, and opportunities to meet other artists and to make contacts with the European art-minded establishment touring Italy.

The artist had already made four failed attempts and it took another two before he at last won the coveted award in June 1776. Desprez spent a year trying to find means of subsistence for his wife in his absence — women were not allowed into the Roman premises of the Académie. He left, having presumably solved the problem, arrived at the Académie, and, within two months, was off on a trip to Naples and Sicily. He had been hired to draw the topographical plates for a five-volume book, the "Voyage Pittoresque ou Description du Royaume des Deux-Siciles," later published under the name of the Abbé de Saint Non.

On this trip he owes his first landscapes in pen and wash. His manner varied a great deal. A street in Pompeii that had just been excavated is loosely done. The conventional composition could be from a mildly competent amateur. But Desprez also had his moments. There is a ravishing view of "Ancient Ruins," showing three massive brick piers, half crumbling, topped by green vegetation. The wintry light is both delicate and contrasted, the impressionistic brushwork quick and evocative. This suggests a true artist whose undying was eventually to be a fundamental lack of self-discipline, a versatility so extreme that it resulted in a complete lack of direction.

His own life reflected this flaw. Back in Rome, he managed to get his wife to come over in April 1779, in breach of all regulations, thanks to his protectors' backing. But within four years, he had sent her back to France on the excuse that he needed to have another two-year stint at the Académie to deepen his mastery of painting. Art was not the only reason. Another woman, Thérèse d'Angelo, for whom he had fallen at first sight, had entered his life. It was true, however, that he had gotten tired of architecture and only wanted to paint. He also made extra money by doing theatrical sets.

Desprez was now at the height of his ability. A study in pen and brown wash of the high cliffs at Capri for a planned picture of Emperor Tiberius having his prisoners thrown down into the sea shows that he had cast eyes on sketches by Tiepolo, although this is no pastiche. This must have been done early in 1784 when came the turning point in his career. He met the king of Sweden, Gustaf Adolf III, who was traveling incognito and came to the Académie. By April 1784, he had been offered an irresistible contract. He



"La Chimère de M. Desprez," an etching first printed in 1771.

was to direct the execution of all stage sets for the king, who was inordinately interested in the opera.

For seven years, Desprez rode a high crest. By order of the king, the Frenchman became the stage decorator designing sets, architect to the king, chief restorer of ancient monuments, and painter of historical pictures. His sets for an opera conceived by the king and written by Johan Henrik Kellgren, "Queen Christina," were so popular that two of the cartoons were engraved — and dedicated to the king's confidant, Gustaf Mauritz Armfeldt. They were followed by sets for an opera written by the king in person, "Gustaf Vasa." The views of fancy Renaissance prisons or of the port of Stockholm as it was thought to look around 1520 are filled with characters in pseudo-Renaissance attire. Desprez anticipates Revivalism of the 1830s and 1840s.

Some Swedish artists did not take kindly to the favors showered upon the foreigner. For a while they may have staked high hopes on his departure for London. A fire had destroyed the King's Theatre on June 17, 1789, and the artist drew plans for an opera house but nothing came of it. Desprez, who had dismissed Thérèse d'Angelo in 1788, went

back to Sweden with the wife of an innkeeper, Charlotte Pembroke de Salis, who was to live with him until his death in 1804. There was a six-month stopover in Gothenburg where he was busy drawing the sets for a burlesque pantomime that was a flop. It led to a flaming row with the theater manager, whom Desprez wanted to kill.

The uncontrollable Desprez even got into brawls with farmhands and was threatened with a lawsuit. He got out of his tight corner by calling on the king for help, but his luck was over. The king was murdered in 1792. A slow decline began for Desprez.

Little of it shows in his work, by then thoroughly stilted. "Fale Bure," the painting intended to immortalize the set for a tragedy on a medieval theme performed in 1795, is stale kitsch. His last substantial painting, "Gustaf III at Tivoli," is an illustration's outsized image. He bowed out of the art scene with an ultimate schoolboyish joke, supposedly a décor intended for the funeral of Duke Frederick-Adolf in 1804. A skeleton in drapes dances on a globe that is perched on an altar. Frowning busts of kings in medieval garb appear in niches. It was a farewell in character from the artist who died weeks later, almost a pauper, and sank into well-deserved oblivion.

## Tamara de Lempicka Portrait of a Legend Between Wars

By Ken Shulman

**ROME** — It is difficult to decide whether the Tamara de Lempicka retrospective on at the Villa Medici is a well-deserved re-evaluation of a nearly forgotten artist, an opportunistic play on the nostalgia for the aristocratic decadence that characterized Europe between this century's two world wars, or simply an entertaining homage to an enduring European legend.

De Lempicka was certainly the stuff of which legends are made. Born Tamara Gorski sometime between 1896 and 1902 in a city that may have been Warsaw, she fled Bolshevik Russia with her husband, Baron Tadeusz Lempicki — a counterrevolutionary from St. Petersburg — passing through Finland and Denmark to arrive in Paris. Tall, beautiful, and socially ambitious, de Lempicka used her charm to secure a place for herself among the haute société of the French capital. Barons, counts and poets — including Gabriele D'Annunzio of Italy — were among her lovers.

And in the midst of this brilliant social life, which undoubtedly required much energy and attention, de Lempicka became an artist. Although best known for her portraits of polo players, elegant women, and nobles, the mysterious, seductive femme fatale from the east was anything but an aristocratic dabbler; she had immersed herself in painting since her arrival in Paris, studying first with Maurice Denis, then with André Lhote, two of the finest instructors available.

PAINTING was a primary activity for de Lempicka, and her passion for art. This was no baroness playing the bohemian. One evening, while listening in a bar to the Futurist Filippo Tommaso Marinetti call for the destruction of classical art in order to clear the way for modern art, she offered to drive him directly to the Louvre to bring back the aesthetic cleansing. (Fortunately, she had parked her Renault illegally and discovered that the car had been towed when she and Marinetti stepped outside.)

Entitled "From Elegance to Transgression," the show at the Villa Medici through May 1 focuses almost exclusively on de Lempicka's work in the 1920s; the choice is wise, as that decade was decidedly her most creative. Stylistically inconsistent, de Lempicka was capable of both penetrating immediacy and puerile kitsch in her portraits. Her best works — like her celebrated 1928 portrait of her husband — convey an intensity



Self-portrait exemplifies her mastery of tone.

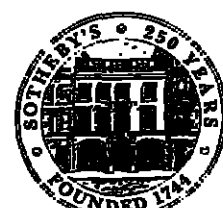
of color alongside a forced gaiety that persists against good sense, much like the stilted, decadent world portrayed therein. While ostensibly vibrant, her best portraits mask an air of imminent disaster.

Technically, her most striking techniques are her use of brilliant reds, blues, greens and whites, and her variance of tone to give depth and movement to her surfaces. The bright blue-on-dark blue sportcoat in "Le Marquis d'Afflito sur l'escalier" (1926) makes this portrait's subject appear clothed in light. Dr. Boncard's white-on-white trench coat in "Portrait du docteur Boncard" (1929) makes him appear to be swathed in an armor of chrome or stainless steel.

Perhaps the finest painting of the 56 on display in Rome is "La Bella Rafale" (1927), a reclining nude featuring a prostitute that de Lempicka met one evening in the Bois de Boulogne, and who frequently

posed for the artist. On loan from the collection of the actor Jack Nicholson — as are two other paintings on exhibit — "La Bella Rafale" is skewered by flares of seamy red, running from the sheet around the model's feet to her pursed lips like a flaming sensual axis. Rafale's body is an atlas of slopes and curves, with all blemishes and imperfections (and even her nipples) removed. Her form is hybrid between Michelangelo and Botticelli.

In the mid-1930s, de Lempicka succumbed to a deep psychological crisis that led her to seek refuge for a short time in an Italian monastery; her work suffered, as is evidenced by the lifeless, forced "sacred paintings" on display at Villa Medici, and in the two academic still lifes. On the eve of World War II, she left Europe for the United States with her second husband, Baron Kulfner. She died in Mexico City in 1980.



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Herald Tribune

## The Buzz Around the Avedon Show

By Michael Kimmelman  
New York Times Service

**NEW YORK** — Has there been an exhibition that generated more noise before it opened than the Richard Avedon show that is now at the Whitney Museum of American Art? Not this season, anyway.

First came the collective groan after David Ross, newly installed as the museum's director, proposed it as one of the largest retrospectives ever contemplated at the Whitney.

Those who knew that Ross had enjoyed popular successes with previous Avedon exhibitions at museums he headed, in Berkeley, California, and Boston, weren't surprised. But more than a few people were taken aback that his first move at an institution dogged by charges of trendiness was a gigantic display of the work of a master of fashion photography and celebrity portraiture.

Since then, despite being scaled back, the show has caused an alarming buzz around the museum, like an approaching V-1.

It was hard not to notice that last week The New Yorker, where Avedon is the staff photographer, was especially chockablock with Avedon photographs. The co-publisher of the exhibition catalogue, with an essay by The New Yorker's art critic, Adam Gopnik, is Random House, owned by S.I. Newhouse, who also owns The New Yorker. Eastman Kodak, the other co-publisher, paid a chunk of the exhibition's cost. And the two companies

recently published "An Autobiography," the first book in a 10-book contract with Avedon.

This show (until June 26; it then travels in Europe) is installed on a floor of the Whitney elaborately designed by Mary Shanahan of Avedon's studio. The curator is not someone from the museum but Jane Livingston (whose face comes from a grant given to Avedon by Kodak). Livingston seems to have gone out of her way to comply with Avedon's desire that he be taken seriously as an artist, and not thought of as a fashion photographer: out of 200 photographs, 10 are fashion shots.

If you expect Dovgins and the elephants at the Cirque d'Hiver in Paris, forget it. Forget Sunny Harriet leaning over the roulette wheel at the casino at Le Touquet. I don't know whether the closer analogy is a Picasso retrospective without Cubism or a Woody Allen one without the comedies, but in either case, the disservice is to Avedon. Because his fashion photographs are great, and the rest rarely are, despite their technical brilliance. The asylum inmates and celebrities made to look like them, the drifters from the American West and American muck-a-mucks in South Vietnam, the passengers on the Third Avenue El and revelers at the

Brandenburg Gate are here in numbers that only expose Avedon's limitations.

If all portraits are on some level self-portraits, as he likes to say, that may explain why Henry Miller, Dwight D. Eisenhower and Groucho Marx resemble one another in his photographs. But it doesn't make their portraits compelling.

Others are, to be sure: the famous ones of Ezra Pound with his eyes clamped and Isak Dinesen as a skunk in a fur coat.

You might not weary of Avedon's conceits — above all, a certain phony candor — had the show been edited. But it's too big, and desperate, almost, to assert Avedon's high art bonafides.

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## auCTION sales

### IN FRANCE

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#### Wednesday, April 6, 1994

Room 8 at 2.30 p.m. - MAJOLICA. MILLON-ROBERT, 19, rue de la Grange Batelière, 75009 Paris. Tel: (1) 48 00 99 44 - Fax: (1) 48 00 98 58

#### Thursday, April 7, 1994

Room 14 at 2.15 p.m. - JUDAICA. Expert: M. Szapiro. ADER TAJAN, 12, rue Favart, 75002 Paris. Tel: (1) 42 61 80 07 - Fax: (1) 42 61 39 57. In NEW YORK please contact Kety Maisonneuve & Co Inc. 16 East 65th Street, 5th floor, N.Y. 10021. Phone: (212) 737 35 97/737 38 13 - Fax: (212) 861 14 34

#### Friday, April 8, 1994

Room 15 at 2 p.m. - FURNITURE AND OBJETS D'ART. MILLON-ROBERT, 19, rue de la Grange Batelière, 75009 Paris. Tel: (1) 48 00 99 44 - Fax: (1) 48 00 98 58

Rooms 5 & 6 at 2.30 p.m. - IMPORTANT 19th & 20th Century PAINTINGS - DRAWINGS - SCULPTURES. Experts: MM. Pacht and de Louvaincourt, M. Baile, ADER TAJAN, 12, rue Favart, 75002 Paris. Tel: (1) 42 61 80 07 - Fax: (1) 42 61 39 57. In NEW YORK please contact Kety Maisonneuve & Co Inc. 16 East 65th Street, 5th floor, N.Y. 10021. Phone: (212) 737 35 97/737 38 13 - Fax: (212) 861 14 34

#### Monday, April 11, 1994

Rooms 5 & 6 at 2.30 p.m. - ABSTRACT AND CONTEMPORARY ART. Experts: MM. Pacht and de Louvaincourt, ADER TAJAN, 12, rue Favart, 75002 Paris. Tel: (1) 42 61 80 07 - Fax: (1) 42 61 39 57. In NEW YORK please contact Kety Maisonneuve & Co Inc. 16 East 65th Street, 5th floor, N.Y. 10021. Phone: (212) 737 35 97/737 38 13 - Fax: (212) 861 14 34

#### Wednesday, April 13, 1994

Room 10 at 2 p.m. - FURNITURE AND OBJETS D'ART - PEWTER. MILLON-ROBERT, 19, rue de la Grange Batelière, 75009 Paris. Tel: (1) 48 00 99 44 - Fax: (1) 48 00 98 58

Room 1 & 7 at 2.30 p.m. - IMPORTANT MODERN PAINTINGS AND SCULPTURES: BELLMER, BONNARD, BOKES, CAMOIN, CARLSUND, CARRIÈRE, CASSIGNOUE, CHARCHOUNE, COLIN, CSASKY, DALL, DIAZ de la PENA, DOMERGUE, DUEY, DUNOYER DE SECONOZAC, ERNST, FERNANDEZ, FERRIER, FRIEZ, GEN PAUL, GLEIZES, GONZALES, HANSON, HELICON, HERBIN, JANSEIN, JONGKIND, KUPKA, LHOÏTE, MAGNELL, MAN-RAY, MASCHERINI, MASSON, MATTESE, MODIGLIANI, ORLOFF, PICABIA, RODIN, ROY, ZADKINE, ZURN. On view at the auctioneer's office: March 29, 30 and 31, 10 a.m. - 1 p.m. - 2 p.m. - April 5, 6, 7 and 8, 10 a.m. - 1 p.m. - 2 p.m. - April 9, 11 a.m. - 6 p.m. On view at the Hotel Drouot: April 12, 11 a.m. - 6 p.m., April 13, 11 a.m. - 12 a.m. Catalogue on request at the auctioneer's office: 120, LUDMERE, 7, rue Rossini, 75009 Paris. Tel: (1) 44 79 50 50 - Fax: (1) 44 79 50 51

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#### Tuesday, March 29, 1994

2 IMPORTANT AUCTION SALES presented by Jacques TAJAN. Experts: MM. Pacht and de Louvaincourt. FURNITURE AND OBJETS D'ART. Rouen furniture collection, (estate Mr X.). Experts: M. Dille, MM. Le Fuel and de l'Espée, M. Lefebvre.

at 8 p.m. - IMPORTANT OLD MASTER PAINTINGS from the Galerie Waterman d'Amsterdam and others collectors includes Brueghel "Les Proverbes Flamands", Canaletto "Le Pont de Westminster". Expert: M. Turquin.

On view at the Hotel George V (Salon "Vendôme") Saturday March 26, 2 p.m.-8 p.m., Sunday March 27, 11 a.m.-8 p.m., Monday March 28, 11 a.m.-8 p.m., Tuesday March 29, 11 a.m.-2 p.m. ADER TAJAN, 12, rue Favart, 75002 Paris. Tel: (1) 42 61 80 07 - Fax: (1) 42 61 39 57. In NEW YORK please contact Kety Maisonneuve & Co Inc. 16 East 65th Street, 5th floor, N.Y. 10021. Phone: (212) 737 35 97/737 38 13 - Fax: (212) 861 14 34



# THE ROAD TO DEMOCRACY BANGLADESH

## ECONOMIC REFORMS BEGIN TO REAP RESULTS

**T**he plush four-story headquarters building of the ruling Bangladesh Nationalist Party (BNP) in the center of Dhaka is flanked by car showrooms and banks. The showrooms are filled with glittering new or reconditioned imported cars, a result of the BNP government's policy of reducing tariffs on imports and liberalizing the import policy as part of its economic reforms.

For a brief time in February and early March, there were doubts about whether the government would pursue the economic reforms and carry out the structural adjustments that it had planned, in agreement with the World Bank-led Aid Bangladesh Club. The BNP had lost out to the main opposition party Awami League in the prestigious mayoral elections in two of the four main cities of the country — and those two cities were the capital, Dhaka, and the main port city, Chittagong. Although the BNP won the elections in the other port city, Khulna, and the university town of Rajshahi, questions were raised within the party as to whether the setback was due to the painful aspects of economic reforms, such as the golden handshake given to surplus labor and the shut-down or sale of various state-owned or government-controlled mills and factories.

Finance Minister Saifur Rahman announced, however, that there will be no going back to the days when the government did commercial business and protected inefficient or outdated industries. Mr. Rahman also said that the painful period of the economic reforms — during which macroeconomic management policies are being put into effect — was going to be over soon and that the benefits of these reforms and policies would soon be felt.

On March 17, Mr. Rahman, Commerce Minister Shamsul Islam and Minister for Industries A. M. Zahiduddin Khan took a major decision in this regard: \$25 million worth of shares of a gas company and two oil marketing companies — as well as some shares of large, public-limited companies held by the government — would be sold to the public through the Dhaka Stock Exchange.

Another decision concerned several privately owned general insurance companies, which were allowed to be launched more than three years ago on the promise that at the end of three years, they would be converted into public-limited companies. They are now required to do so.

The government ministers also agreed to permit several new insurance companies to start business. In addition, the government will consider turning its huge general insurance company, Sadharan Bima Corporation, into a reinsurance company.

Mr. Khan believes that the creation of a broad-based share market will help attract investment and create capital. He feels that this is also fair to the public, particularly where the opening up of the government's resources for business is concerned. His ministry is now going to consider selling shares of the country's large government-owned fertilizer factories.

Meanwhile, the ordinary people of Bangladesh and many business executives are showing exceptional en-

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • It was written by Ataus Samad, a Dhaka-based free-lance writer and BBC correspondent.



Investing in education and industry: Prime Minister Khaleda Zia (top) and Minister for Industries Z. Khan (bottom).

trepreneurship and a can-do spirit, thus helping to fuel the economy. Thousands of poor Bangladeshis, mostly from villages, are still going to foreign lands — mainly Saudi Arabia, the Gulf countries and Malaysia — as laborers. According to government statistics, nearly a quarter of a million Bangladeshis went abroad last year to work, and they sent back foreign remittances worth more than \$1 billion. The Agrani Bank is

now supporting this export of labor by giving workers loans for airfare and commissioning employment agents. Bangladesh Biman, the country's national flag carrier, registered a passenger-traffic increase of 5 percent last year over the previous year, mostly on the Saudi Arabia and Kuala Lumpur route. The carrier flies to more than 28 foreign destinations.

Another big success is the garment sector. About 1,600

garment companies exported \$1.24 billion worth of clothing in the 1992-93 fiscal year; the current trend indicates a further increase this year. Shrimp culture and fish-farming have been expanding rapidly. Frozen fish exports earned Bangladesh more than \$200 million in fiscal year 1992-93.

Most important of all, Bangladeshi villagers — 80 percent of the country's population — have continued to increase grain production. Last fiscal year, rice and wheat production reached 19.51 million tons, which brought the country close to self-sufficiency. It follows that there is good potential for an increase in demand for goods and services within the country, although the government and most economists believe that the safest way to bolster the economy would be through export-led growth.

Business activity is definitely picking up. The managing director of the Janata Bank says that the demand for credit is on the increase. A senior official of the International Finance Investment and Commerce Bank Limited (IFIC) says that the bank opened more letters of credit in the past two months than in the previous two.

Investment in industry, however, remains sluggish. For example, the Sonali Bank, the country's largest, sanctioned 1.69 billion taka (\$42.25 million) in industrial loans in the last fiscal year, but borrowers made use of only slightly more than half of it. The entire amount

sanctioned by the Sonali Bank as working capital, however, was used.

"The most important thing for me," says Mr. Khan, "is that I find that people are clothed, they look healthy (and) more children are coming to school, which is probably the result of Prime Minister Begum Khaleda Zia's initiatives like appealing to mothers to put children in school and the launching of the food-for-education program in order to make the target of universal primary education successful."

How does Mr. Khan assess Bangladesh's investment potential over the next five years? After the "explosive growth of the garment industry," he says, related industries — such as the manufacture of fabric, sewing thread and buttons — offer very good opportunities for investors. He also encourages investment in pulp and paper-making from green jute. Mr. Khan says that industrial paper and pulp will be produced from jute in the country during the jute season. In addition, he expects about 10,000 tons of these products to be exported abroad initially. He says that by the end of the year 2000, Bangladesh will produce 170,000 tons of industrial paper-making-grade jute pulp and 5,000 tons of rayon-grade pulp. "We will welcome both local and foreign investors to be our partners in joint ventures manufacturing jute pulp and paper," he says.

In this context, Mr. Khan



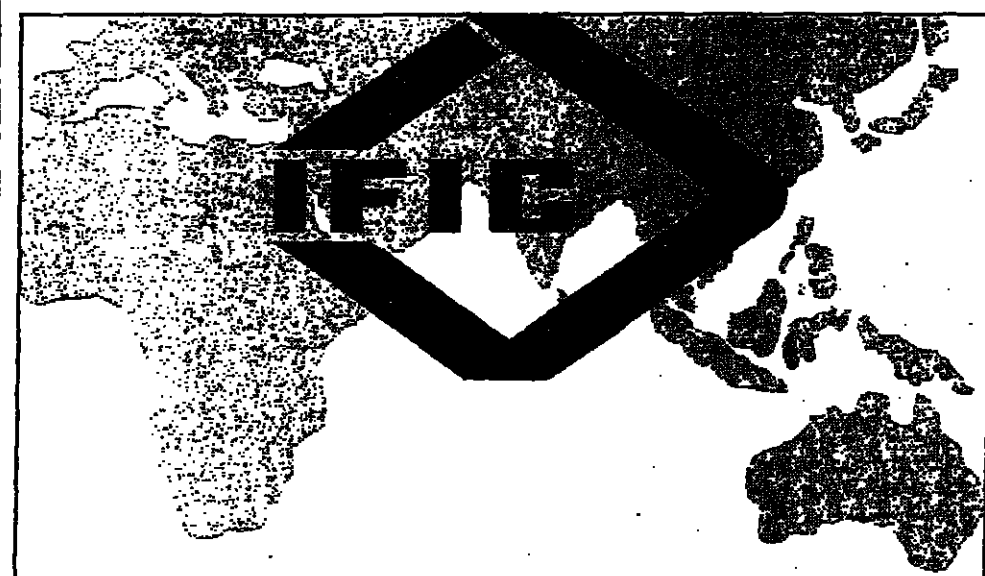
Bangladesh offers travelers mosques, temples, tea gardens and a warm welcome.

points out that foreign investors can freely remit money from Bangladesh on both current and capital accounts as a result of the abolition of many of the foreign-exchange regulations. Meanwhile, Bangladesh is

about to embark on a major construction project — the \$700 million bridge over the river Jamuna.

This will be the longest bridge in the country, and the first to effectively link the eastern and western seg-

ments of Bangladesh. The immediate importance of the start of work on the Jamuna Bridge, however, is that the project will spark off a great deal of economic activity and much more hope for the future.



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## MARKET DIARY

Geopolitical Woes  
Keep Dollar Flat

Compiled by Our Staff From Dispatches

**NEW YORK** — Prospects for interest rates in Germany to remain higher than in the United States in coming months and political concerns hovering over North America kept the dollar flat Friday.

The dollar ended New York trading at 1.6655 Deutsche marks.

## Foreign Exchange

A fresh five-month low and down from 1.6680 Thursday, the U.S. currency was near steady against most other currencies, ending at 104.85 yen, compared with 104.55 Thursday, at 5.7100 French francs, compared with 5.7038, and at 1.4168 Swiss francs, compared with 1.4165. The pound edged up to \$1.4987 from \$1.4975.

"It's becoming a classic bear market in the dollar," said Jerry Egan, managing director of foreign exchange at MTB Bank. "It's hard to get hurt if you're short the currency."

The assassination of Mexico's leading presidential candidate Wednesday ignited concerns about overall political stability in North America, given the White House affair that continues to dog President Bill Clinton. Crumbling U.S. stock and bond markets also eroded confidence in the dollar.

Mexico's central bank bought pesos throughout the day to stabilize the currency against the dollar.

after the assassination of Luis Donaldo Colosio. Still, the dollar rose to 3.586 pesos from 3.5260 Wednesday. The peso did not trade Thursday because banks were closed for a day of mourning.

The dollar was pressured against the German currency by Bundesbank President Hans Tietmeyer's comment that there was a "continued reason for caution" in setting monetary policy. He said the recent large increases in German money supply "could signify the buildup of new inflationary potential."

The Bundesbank is considered unlikely to cut German interest rates as long as inflation is a concern. Despite an increase in U.S. rates this week, German rates are still two percentage points higher, making mark-denominated deposits more attractive.

A drop in the sale of previously owned homes in the United States in February also undermined the dollar, analysts said.

"The home sales report was just another nail in the coffin," said Albert Soika, foreign-exchange manager at Kansallis Oskari Bank, a Finnish bank in New York.

Investors were beginning to set positions before the release next week of the U.S. employment report for March. A jump in job creation could turn the dollar's trend around, analysts said.

(Bloomberg, AFP)

## MARKETS: Stocks Struggle

Continued from Page 9

late in the day, only about one-quarter of the amount it fell at the opening.

A \$6 billion line of credit arranged with the United States helped stabilize conditions, as did an offer by the Mexican central bank of dollar-guaranteed bonds.

"People might be waiting for the next step by the government," said

is happening in many of the world's major markets.

Wall Street's bull market is dying the death of a thousand cuts as the Fed slowly tightens credit. Europe can see the light at the end of the recession tunnel, and its exports are better than expected, but this is not being reflected in its markets. And in Japan, where the central bank is finally starting to loosen up, markets act as though they refuse to believe it.

**U.S. Stocks**

Felix Boni, chief of Research for Interactions in Mexico City.

"If we are no closer to a having a successor in the next few days," he said, referring to a new presidential nominee for Mexico's governing party, "we could be in for the worst of all possible worlds, which would be a slow 'Chinese water torture' instead of a quick, clean correction in the market."

Possibly to give themselves time to find the new nominee, the Mexican authorities announced Friday that the stock market, banks and other financial institutions would be closed next Wednesday and Thursday to mourn the slain candidate.

But, as Mr. Lipsky pointed out, a slow degradation is precisely what

**Computers, Autos Slump**

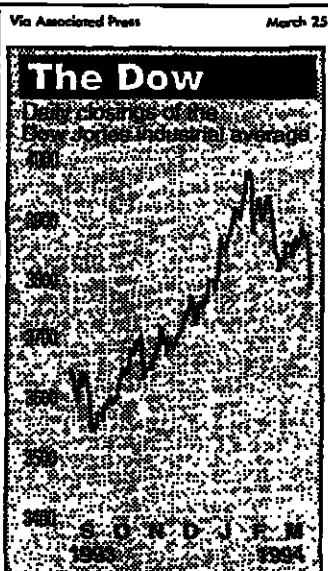
The stock market's slump was led by weaker computer and auto companies, Bloomberg Business News reported from New York.

As on Thursday, shares sensitive to economic cycles continued to show weakness with Caterpillar off 4 1/4 to 116 1/4 and Bethlehem Steel down 1 1/4 to 21.

Trading volume was roughly 250 million shares, down from 303.75 million shares on Thursday. Declining stocks outnumbered advancing 11 to 7 on the New York Stock Exchange.

The Standard & Poor's 500 Index declined 3.77 to 460.58.

The computer sector and blue chips in general were weakened notably by IBM, which declined 2 1/4 to 53 1/4 on concerns about earnings.



NYSE Most Active

| Symbol | Vol.  | High | Low    | Last   | Chg. |
|--------|-------|------|--------|--------|------|
| IBM    | 47943 | 61   | 59 1/4 | 59 1/4 | -1/4 |
| IBM    | 47943 | 61   | 59 1/4 | 59 1/4 | -1/4 |
| IBM    | 47943 | 61   | 59 1/4 | 59 1/4 | -1/4 |
| IBM    | 47943 | 61   | 59 1/4 | 59 1/4 | -1/4 |
| IBM    | 47943 | 61   | 59 1/4 | 59 1/4 | -1/4 |

NASDAQ Most Active

| Symbol | Vol. | High   | Low | Last   | Chg. |
|--------|------|--------|-----|--------|------|
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |

AMEX Most Active

| Symbol | Vol. | High   | Low | Last   | Chg. |
|--------|------|--------|-----|--------|------|
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
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| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |

Market Sales

|                     | Today<br>4 p.m. | Prev.<br>close. |
|---------------------|-----------------|-----------------|
| NYSE                | 251.67          | 369.415         |
| Amex                | 16.22           | 21.96           |
| London              | 248.03          | 373.50          |
| <i>in millions.</i> |                 |                 |

NYSE Most Active

| Symbol | Vol. | High   | Low | Last   | Chg. |
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AMEX Most Active

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Market Sales

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NASDAQ Most Active

| Symbol | Vol. | High   | Low | Last   | Chg. |
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AMEX Most Active

| Symbol | Vol. | High   | Low | Last   | Chg. |
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Market Sales

| NYSE | Vol. | High   | Low | Last   | Chg. |
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| NYSE | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |

NYSE Most Active

| Symbol | Vol. | High   | Low | Last   | Chg. |
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| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |

## Dow Jones Averages

| Dow Jones Averages |         |         |         |         |        |
|--------------------|---------|---------|---------|---------|--------|
|                    | Open    | High    | Low     | Last    | Chg.   |
| Indus              | 3877.13 | 3884.85 | 3774.73 | 3774.73 | -44.36 |
| Trans              | 1716.41 | 1723.47 | 1705.81 | 1714.86 | -8.83  |
| Util               | 243.42  | 244.99  | 232.15  | 232.15  | -7.91  |
| Comp               | 1343.64 | 1343.46 | 1350.33 | 1350.33 | -8.45  |

## Standard &amp; Poor's Indexes

|             | High   | Low    | Close  | Chge  |
|-------------|--------|--------|--------|-------|
| Industrials | 543.49 | 539.44 | 539.45 | -4.85 |
| Transport   | 419.38 | 416.85 | 417.92 | +8.11 |
| Utilities   | 160.79 | 159.12 | 159.36 | -0.44 |
| Finance     | 43.74  | 43.33  | 43.33  | -0.62 |
| SP 500      | 465.29 | 460.58 | 460.58 | -3.77 |
| SP 100      | 430.78 | 425.95 | 425.97 | -4.15 |

## NYSE Indexes

|             | High   | Low    | Last   | Chg.  |
|-------------|--------|--------|--------|-------|
| Composite   | 258.43 | 256.28 | 256.29 | -1.67 |
| Industrials | 319.88 | 316.78 | 316.79 | -2.39 |
| Transp.     | 244.53 | 244.59 | 244.59 | -0.88 |
| Utility     | 214.57 | 212.90 | 213.12 | -0.35 |
| Finance     | 212.93 | 211.35 | 211.39 | -1.28 |

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## NASDAQ Indexes

## NASDAQ Indexes

|             |        |        |        |       |
|-------------|--------|--------|--------|-------|
| Industrials | 830.67 | 824.69 | 824.69 | -4.63 |
| Banks       | 697.10 | 688.64 | 690.22 | +2.37 |
| Insurance   | 914.62 | 910.63 | 910.63 | -3.88 |
| Finance     | 908.45 | 897.59 | 899.95 | +1.54 |
| Transp.     | 792.97 | 794.73 | 794.58 | +1.23 |
| Telecom     | 170.37 | 169.72 | 169.72 | -0.11 |

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## AMEX Stock Index

## AMEX Indexes

| Dow Jones Bond Averages |                   |               |
|-------------------------|-------------------|---------------|
|                         | Previous<br>Close | Today<br>Noon |
| 20 Bonds                | 101.74            | 101.70        |
| 10 Utilities            | 99.85             | 99.90         |
| 10 Industrials          | 103.64            | 103.50        |

## Dow Jones Bond Averages

|              | Close | Prev. |
|--------------|-------|-------|
| Advanced     | 859   | 520   |
| Declined     | 1209  | 1739  |
| Unchanged    | 674   | 524   |
| Total Issues | 2742  | 2785  |
| New Highs    | 34    | 32    |
| New Lows     | 87    | 111   |

## NYSE Bond Indexes

|              | Close | Prev. |
|--------------|-------|-------|
| Advanced     | 262   | 178   |
| Declined     | 335   | 460   |
| Unchanged    | 227   | 213   |
| Total Issues | 824   | 851   |
| New Highs    | 11    | 12    |
| New Lows     | 19    | 21    |

## NASDAQ Bond Indexes

|              | Open | High |
|--------------|------|------|
| Advanced     | 1610 | 1089 |
| Refined      | 1458 | 2037 |
| Unchanged    | 1776 | 1716 |
| Total Issues | 4244 | 4932 |
| New Highs    | 73   | 79   |
| New Lows     | 53   | 74   |

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**Spot Commodities**

## AMEX Bond Indexes

|                        |        |        |
|------------------------|--------|--------|
| off, Broz., lb         | 0.76   | 0.76   |
| opper electrolytic, lb | 0.96   | 0.96   |
| on FOB, ton            | 213.00 | 213.00 |
| ood, lb                | 0.34   | 0.34   |
| ver, tray oz           | 5.55   | 5.55   |
| heel (scrap), ton      | 136.33 | 136.33 |
| in, lb                 | n.a.   | 3.66   |
| mc, lb                 | 0.44   | 0.45   |

## Spot Commodities

| Commodity | Today  | Prev.  |
|-----------|--------|--------|
| Crude Oil | 21.20  | 21.20  |
| Gold      | 375.00 | 375.00 |
| Silver    | 5.00   | 5.00   |
| Copper    | 1.50   | 1.50   |
| Aluminum  | 0.50   | 0.50   |

## Market Sales

| NYSE | Vol. | High   | Low | Last   | Chg. |
|------|------|--------|-----|--------|------|
| NYSE | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| NYSE | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| NYSE | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| NYSE | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| NYSE | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |

## NYSE Most Active

| Symbol | Vol. | High   | Low | Last   | Chg. |
|--------|------|--------|-----|--------|------|
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |
| Novell | 2692 | 19 1/4 | 19  | 19 1/4 | -1/4 |

## NASDAQ Most Active

| Symbol |
|--------|
|--------|







# NYSE

Friday's Closing  
Tables include bid-ask prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

| Symbol                 | Price  | Change |
|------------------------|--------|--------|
| IBM                    | 125.00 | +1.00  |
| Microsoft              | 100.00 | +2.00  |
| Apple                  | 75.00  | +1.00  |
| Oracle                 | 60.00  | +1.00  |
| Sun                    | 50.00  | +1.00  |
| HP                     | 40.00  | +1.00  |
| Intel                  | 30.00  | +1.00  |
| Motorola               | 20.00  | +1.00  |
| Texas Instruments      | 15.00  | +1.00  |
| Advanced Micro Devices | 10.00  | +1.00  |
| Linear Technology      | 8.00   | +1.00  |
| National Semiconductor | 7.00   | +1.00  |
| Rockwell International | 6.00   | +1.00  |
| Western Digital        | 5.00   | +1.00  |
| Conquest Technology    | 4.00   | +1.00  |
| Chips Technology       | 3.00   | +1.00  |
| Chips Technology       | 2.00   | +1.00  |
| Chips Technology       | 1.00   | +1.00  |

| Symbol                 | Price  | Change |
|------------------------|--------|--------|
| IBM                    | 125.00 | +1.00  |
| Microsoft              | 100.00 | +2.00  |
| Apple                  | 75.00  | +1.00  |
| Oracle                 | 60.00  | +1.00  |
| Sun                    | 50.00  | +1.00  |
| HP                     | 40.00  | +1.00  |
| Intel                  | 30.00  | +1.00  |
| Motorola               | 20.00  | +1.00  |
| Texas Instruments      | 15.00  | +1.00  |
| Advanced Micro Devices | 10.00  | +1.00  |
| Linear Technology      | 8.00   | +1.00  |
| National Semiconductor | 7.00   | +1.00  |
| Rockwell International | 6.00   | +1.00  |
| Western Digital        | 5.00   | +1.00  |
| Conquest Technology    | 4.00   | +1.00  |
| Chips Technology       | 3.00   | +1.00  |
| Chips Technology       | 2.00   | +1.00  |
| Chips Technology       | 1.00   | +1.00  |

| Symbol                 | Price  | Change |
|------------------------|--------|--------|
| IBM                    | 125.00 | +1.00  |
| Microsoft              | 100.00 | +2.00  |
| Apple                  | 75.00  | +1.00  |
| Oracle                 | 60.00  | +1.00  |
| Sun                    | 50.00  | +1.00  |
| HP                     | 40.00  | +1.00  |
| Intel                  | 30.00  | +1.00  |
| Motorola               | 20.00  | +1.00  |
| Texas Instruments      | 15.00  | +1.00  |
| Advanced Micro Devices | 10.00  | +1.00  |
| Linear Technology      | 8.00   | +1.00  |
| National Semiconductor | 7.00   | +1.00  |
| Rockwell International | 6.00   | +1.00  |
| Western Digital        | 5.00   | +1.00  |
| Conquest Technology    | 4.00   | +1.00  |
| Chips Technology       | 3.00   | +1.00  |
| Chips Technology       | 2.00   | +1.00  |
| Chips Technology       | 1.00   | +1.00  |

| Symbol                 | Price  | Change |
|------------------------|--------|--------|
| IBM                    | 125.00 | +1.00  |
| Microsoft              | 100.00 | +2.00  |
| Apple                  | 75.00  | +1.00  |
| Oracle                 | 60.00  | +1.00  |
| Sun                    | 50.00  | +1.00  |
| HP                     | 40.00  | +1.00  |
| Intel                  | 30.00  | +1.00  |
| Motorola               | 20.00  | +1.00  |
| Texas Instruments      | 15.00  | +1.00  |
| Advanced Micro Devices | 10.00  | +1.00  |
| Linear Technology      | 8.00   | +1.00  |
| National Semiconductor | 7.00   | +1.00  |
| Rockwell International | 6.00   | +1.00  |
| Western Digital        | 5.00   | +1.00  |
| Conquest Technology    | 4.00   | +1.00  |
| Chips Technology       | 3.00   | +1.00  |
| Chips Technology       | 2.00   | +1.00  |
| Chips Technology       | 1.00   | +1.00  |

| Symbol                 | Price  | Change |
|------------------------|--------|--------|
| IBM                    | 125.00 | +1.00  |
| Microsoft              | 100.00 | +2.00  |
| Apple                  | 75.00  | +1.00  |
| Oracle                 | 60.00  | +1.00  |
| Sun                    | 50.00  | +1.00  |
| HP                     | 40.00  | +1.00  |
| Intel                  | 30.00  | +1.00  |
| Motorola               | 20.00  | +1.00  |
| Texas Instruments      | 15.00  | +1.00  |
| Advanced Micro Devices | 10.00  | +1.00  |
| Linear Technology      | 8.00   | +1.00  |
| National Semiconductor | 7.00   | +1.00  |
| Rockwell International | 6.00   | +1.00  |
| Western Digital        | 5.00   | +1.00  |
| Conquest Technology    | 4.00   | +1.00  |
| Chips Technology       | 3.00   | +1.00  |
| Chips Technology       | 2.00   | +1.00  |
| Chips Technology       | 1.00   | +1.00  |

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# NASDAQ

## Friday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

| 12 Month | High | Low | Stock | Div | Yld | PE | 100s | High | Low | Latest | Chg |
|----------|------|-----|-------|-----|-----|----|------|------|-----|--------|-----|
| A        |      |     |       |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AA    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AB    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AC    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AD    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AE    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AF    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AG    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AH    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AI    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AJ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AK    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AL    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AM    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AN    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AO    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AP    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AQ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AR    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AS    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AT    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AV    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AW    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AX    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AY    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | AZ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BA    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BB    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BC    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BD    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BE    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BF    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BG    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BH    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BI    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BJ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BK    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BL    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BM    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BN    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BO    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BP    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BQ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BR    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BS    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BT    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BV    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BW    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BX    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BY    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | BZ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CA    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CB    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CC    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CD    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CE    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CF    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CG    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CH    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CI    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CJ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CK    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CL    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CM    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CN    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CO    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CP    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CQ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CR    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CS    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CT    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CV    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CW    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CX    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CY    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | CZ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DA    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DB    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DC    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DD    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DE    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DF    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DG    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DH    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DI    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DJ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DK    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DL    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DM    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DN    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DO    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DP    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DQ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DR    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DS    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DT    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DV    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DW    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DX    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DY    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | DZ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EA    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EB    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EC    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | ED    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EE    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EF    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EG    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EH    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EI    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EJ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EK    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EL    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EM    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EN    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EO    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EP    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EQ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | ER    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | ES    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | ET    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EV    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EW    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EX    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EY    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | EZ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FA    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FB    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FC    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FD    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FE    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FF    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FG    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FH    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FI    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FJ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FK    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FL    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FM    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FN    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FO    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FP    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FQ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FR    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FS    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FT    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FV    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FW    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FX    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FY    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | FZ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GA    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GB    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GC    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GD    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GE    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GF    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GG    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GH    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GI    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GJ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GK    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GL    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GM    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GN    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GO    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GP    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GQ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GR    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GS    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GT    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GV    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GW    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GX    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GY    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | GZ    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | HA    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | HB    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | HC    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | HD    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | HE    |     |     |    |      |      |     |        |     |
| 120      | 120  | 120 | HF    |     |     |    |      |      |     |        |     |
| 120      |      |     |       |     |     |    |      |      |     |        |     |



FIRST COLUMN

# A Quarrel To Pick, But Which?

**B**EING what is known to the financial markets as a contrarian is a fine and noble thing. Those with forthright views that fly in the face of consensus analysis are treated with grudging respect by the majority. Openly derided, secretly admired, the financial polemicist who argues a heterodox case can be sure of a high profile among fellow investors and analysts — and usually in the media too.

Moreover, since being publicly wrong appears not to have hindered many analytical careers, the contrarian route to self-publicity and an amusingly large salary appears attractive.

But there is, naturally enough, a problem with all this. Namely, how do you decide what to disagree with?

The sad death of Mexican presidential candidate Luis Donaldo Colosio this week that is called finding an original idea in the market place. The thinking ran roughly this way: After pausing for a nanosecond to mourn the death of a good man, the opportunistic investor decided that this would create a perception of political instability in the market, and that Mexican shares would be traded lower by the majority.

But this, says our smart contrarian, is really an opportunity. The contrarian will take the political risk, buy at the discounted rate, and then sit back and watch as the foolish majority regains confidence and share prices rise. Two speakers at this newspaper's investment conference in Zurich this week said as much.

**U**NFORTUNATELY, everybody else had figured out what the majority would be doing too. So much so that the contrarian thinking became the boring consensus view. The result was, despite some nasty shocks for Mexican shares with New York listings that were traded Thursday (the Mexican markets being closed out of respect for the dead), many shares actually opened higher in Friday's trade. Notable among them was Telcel, perhaps the single most popular international play.

So here's an unarguable, paradoxical proposition: When everyone agrees to disagree, everyone agrees.

M.B.

# Utility Shares: A Qualified 'Buy'

By Philip Crawford

**A**NY movement in interest rates, like this week's inching higher of short-term rates in the United States, places investor focus on the types of equities that are most sensitive to such movements. Perhaps foremost among these are utilities, whose relative stability and high dividends often attract investors when rates are low.

U.S. utility stocks have already been looking pretty battered. The rise in long-term U.S. rates since autumn has sent share prices sliding, a trend reflected by a falloff of 15 to 20 percent in major sector indexes since the middle of September.

Moreover, say analysts, there's a sense of fear in the market that the utility industry is headed for further deregulation that could set off earnings-crushing rate wars and other destabilizing forces. A research report published on Nov. 1 by Standard & Poor's, which concluded that competitive pressures were indeed intensifying, helped scare off investors, sources said.

The resulting picture for retail investors is thus a bit cloudy. While few analysts are positive on the utility sector as a whole, many say that the best-run companies are still quite attractive. And while equally few experts foresee a freely competitive landscape in which retail consumers will be able to choose their power company like their long-distance phone company, some say that the forces behind the movement and the potential ramifications are not to be discounted. Hence, the overall message: There's value out there, but look for companies that have prepared for further deregulation, should it come, and that also have shown the vision to explore future growth possibilities outside the United States.

While the current "buy" lists of U.S. utility analysts vary widely, several companies appear frequently, one of which is New Orleans-based Entergy Corp. In 1993, Entergy posted an operating profit of \$475.9 million, or \$2.72 a share, up 14 percent from \$418 million, or \$2.37 a share, in 1992. Also, a cost-cutting program chopped 600 jobs from the company payroll.

"Entergy has unusually good free cash flow, and I look for good earnings per-share growth, which will be helped by stock repurchases," said Kit Konolige, who covers utilities for CS First Boston in New York. Mr. Konolige said he also had "buy" ratings on Public Service Co. of Colorado, Chicago-based Commonwealth Edison Co., and a "strong buy" on CMS Energy Corp., a Michigan-based utility with diverse interests in oil and natural gas exploration. Public Service Co. of Colorado is a favorite of other analysts as well, many of whom cite the quality of its management and an aggressive cost-cutting plan announced in January.

Citing interest rates as the prime driver of

share prices in 1994 and 1995, Mr. Konolige cautioned that he was not "pounding the table" with enthusiasm on the sector as a whole. "At best," he said, "electric utility stocks will be moderately attractive relative to the rest of the market."

Gary F. Hovis, who covers utilities for Argus Research in New York, said he had "buy" recommendations on more than 20 companies, with Allegheny Power System Inc., TECO Energy Inc., and Consolidated Edison Co. among the highest-rated. Other picks included Duke Power Co. and Pennsylvania Power & Light. "You could say the same things about all of them," said Mr. Hovis. "Good management, well-contained costs, high-quality earnings, and favorable regulatory environments in their service areas, which essentially means a fair-handed balance of the interests of shareholders and rate payers."

Allegheny, which serves parts of five mid-Atlantic states through three operating companies, reported a 5.9 percent increase in 1993 net income to \$215.7 million, or \$1.88 a share. Meanwhile TECO, based in Tampa, Florida, reported an 8 percent increase in 1993 net income to \$161.5 million, or \$1.40 a share.

Looking ahead over the next two years, Mr. Hovis shared the opinion that the utility sector as a whole would not perform well but that certain companies would. "The general downside that began in the fall is not necessarily over," he said. "I think the index could fall another 20 points."

Paul Parsley, chief utility analyst at Lehman Brothers in New York, said he looked for companies that were girding themselves for the possibility of further deregulation and that were exploring emerging markets for future growth. He recommended The Southern Co., based in Atlanta, Union Electric Co., based in St. Louis, and Boston Edison Co., among others. "We think there will be an overall market correction on the order of 10 percent over the next few months," he said. "But even within that context, we expect these companies to produce an annual return of about 10 percent."

Earlier this month, The Southern Co. announced plans to invest \$380 million in new power stations in Chile within the next six years, one example among many of U.S. utility companies expanding their reach globally.

"Over the next 10 years there will be a need for approximately 700 new power plants around the world," Mr. Parsley added. "About 600 of them will be built outside North America in places like Southeast Asia, South America, India and Turkey. China is probably the area of largest interest. The traditional investor-owned utilities are chasing emerging markets, as are their nonregulated subsidiaries and the nonregulated independent power producers."

## Utilities

Page 17  
Useful European stocks  
U.K. electricals  
Global phones

**I**T IS the nonregulated independent power generating companies that are the source of the fears regarding future deregulation. In 1992, the U.S. Energy Policy Act freed up the ability of such companies to compete with the traditional highly-regulated utilities for wholesale customers such as municipalities that own their own transmission lines. The S&P report, say some analysts, implied that independent generators were likely to be freed within several years to compete for retail customers as well. Such an event, other experts add, could send the industry into a competitive frenzy that might spell doom for investors.

"People overreacted and were scared off by that report," said Mr. Hovis. "But here on the street, a lot of analysts don't agree with S&P. I don't believe the industry will become deregulated, nor do I think it should. It is too vital a service to be turned over to independent entrepreneurs."

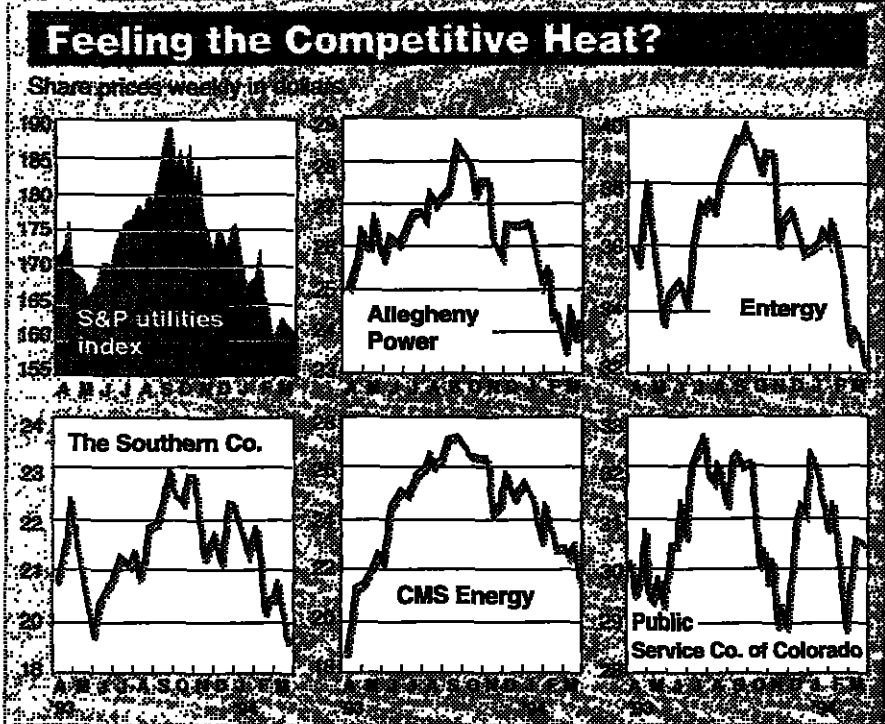
Mr. Konolige pointed out that since utility rates are regulated on a state level, any sweeping change would likely be very slow, involving separate action by 50 state commissions. "I do think we will see some more competitive aspects," he said. "A lot of major industrial consumers of electricity are pushing for it. But I think any extensive open choice is a long way off, and I wonder if it could ever happen for residential customers."

Mr. Parsley, meanwhile, said that the notion of free competition "didn't just show up with the S&P report."

"The idea has been in the works for years," he said. "And, yes, I think increasing deregulation is a likelihood." Asked whether he foresaw an era of total deregulation, however, Mr. Parsley said, "It depends on which day you ask me."

"Sometimes I think things are going quickly in that direction," he said, "but there is a growing coalition against it, led by consumer and environmental groups, and they have valid points to raise. But either way, it's the companies which have prepared for the possibility that will perform the best for investors."

The Money Report is edited by  
Martin Baker



# Justice of the Marketplace: Passing Judgment on Analysts

**E**VERYONE knows that no one makes all the right calls when it comes to picking stocks, but market players nevertheless depend on the opinions of professionals who cover specific sectors such as utilities. It might, therefore, comfort investors to know that while analysts are rating the stocks, someone is rating the analysts.

In Europe, London-based Ertel Financial Ltd. publishes a yearly survey entitled "Ranking of Investment Analysts," in which brokers covering 92 separate industrial and geographic sectors are rated by the institutional investors who use their research most. For the current survey, 210 U.K.-based investment managers of insurance companies, pension funds, unit and investment trusts, and other institutional and private funds were polled on key questions surrounding the theory and quality of investment research.

For the European utility sector, the five top-rated analysts or research teams were those from James Capel & Co., Morgan Stanley International, Kleinwort Benson Securities, UBS Limited, and S.G. Warburg Securities.

Adrian Probert, a senior research assistant at Ertel, said that while the survey was sent to the senior person of each investment management firm, Ertel asked that the questions pertaining to each market sector be answered by the managers who knew it best and were familiar with its analysts.

In the United States, the monthly magazine Institutional Investor publishes the "All-America Research Team" in its October issue, based chiefly on the opinions of professional money managers throughout the United States. More than 3000 ballots were sent out to pick the current "team," 600 of them sent to managers outside the United States. According to the survey, the top utility analysts this year came from Goldman Sachs, Prudential Securities, Kidder Peabody, and CS First Boston.

For further information, call Ertel Financial Ltd. in London at (44 71) 251 3333, or Institutional Investor in New York at (212) 303-3300.

# Asian Utilities Return To Saner Price Levels

By Kevin Murphy

**H**ONG KONG — Despite recent turmoil in most Asian stock markets, the region's demand for more electricity, new phone lines and expansion of other utilities services remains undiminished.

The challenge for investors is in finding — at the right price — the companies most likely to turn potential growth into actual profits.

Stock markets in Hong Kong, Malaysia, Thailand, Indonesia and the Philippines have had a terrible start to the year, declining by 23 percent in Bangkok's case to 17 percent in Jakarta's.

In many cases utility stocks, as some of the largest companies on Asian exchanges, have borne the brunt of the sell-off.

"Utilities got hammered in most of these markets," said Anthony Bellingham, regional strategist at Peregrine Brokerage Ltd. in Hong Kong. "But the infrastructure story in Asia hasn't gone away, it's just gotten bigger."

Most Asian countries face shortages of telecommunications and electricity supply that complicate doing business and ultimately will constrain their economic growth if not resolved.

Led by opportunities in China, which has earmarked \$8.5 billion alone for new power generation projects in its budget for next year, many Asian utilities, particularly those in Hong Kong eyeing cross-border business, enjoy strong growth prospects.

A company like Hong Kong's China Light & Power, armed with technical know-how and a strong corporate balance sheet is widely expected to invest in China's leading power station developments.

However, despite their potential expansion and usual "safety in a storm" profile, most utilities in Asia were caught in a squeeze between concerns about rising interest rates and a chaotic withdrawal

of some international funds from the region.

Philippine Long Distance Telephone, with a virtual monopoly on telecommunications in that country, fell by 23 percent from its high on Jan. 3.

Tenaga Nasional Bhd., Malaysia's dominant electricity company, is trading at a price 29 percent lower than its Jan. 5 high.

TelecomAsia Corp., a joint venture formed in 1991 by Thailand's Charoen Pokphand Group and Nynex Network system that has won the right to expand Bangkok's overburdened telephone system, lost 47 percent between Jan. 4 and March 21 before posting a mild recovery.

In all three cases, and in many others in the region, the share price peaks were prompted by intense speculation.

"They all got swept up in the euphoria and all the hype that accompanied the sale of Singapore Telecom shares," said an analyst in Hong Kong.

He was referring to intense investor interest that prompted the company's initial public offering to soar to 4 Singapore dollars (\$2.50) a share — 61 times the company's earnings in 1993.

Singapore Telecom has held up better than most utilities in recent weeks, but analysts agree the subsequent sell-offs have returned most utilities to saner levels where good long-term investments are to be found.

"Certainly Hong Kong Telecom, Champion Technology and Star Pagine, are all very much back in the value range," said Paul Dayton, an analyst with Credit Lyonnais Securities (Asia) Ltd., speaking of the colony's leading telephone group and two fast-growing tele-pager companies. "The same can be said in Thailand and Malaysia."

The sharp falls in regional markets should also lead to lower pricing and more attractive opportunities in new issues coming to the market.

| Best Performing Utility Funds            |                         |                         |
|--|-------------------------|-------------------------|
| Three percentages return in U.S. dollars |                         |                         |
| Over one year to March 17, 1994          |                         |                         |
| First                                    | Second                  | Third                   |
| Franklin Strat. Glob. Util.              | Global Utility Fund, A  | U.S. Utilities, A       |
| Global Utility Fund, B                   | Global Utility Fund, C  | Global Utility Fund, D  |
| Global Utility Fund, E                   | Global Utility Fund, F  | Global Utility Fund, G  |
| Global Utility Fund, H                   | Global Utility Fund, I  | Global Utility Fund, J  |
| Global Utility Fund, K                   | Global Utility Fund, L  | Global Utility Fund, M  |
| Global Utility Fund, N                   | Global Utility Fund, O  | Global Utility Fund, P  |
| Global Utility Fund, Q                   | Global Utility Fund, R  | Global Utility Fund, S  |
| Global Utility Fund, T                   | Global Utility Fund, U  | Global Utility Fund, V  |
| Global Utility Fund, W                   | Global Utility Fund, X  | Global Utility Fund, Y  |
| Global Utility Fund, Z                   | Global Utility Fund, AA | Global Utility Fund, AB |
| Global Utility Fund, AC                  | Global Utility Fund, AD | Global Utility Fund, AE |
| Global Utility Fund, AF                  | Global Utility Fund, AG | Global Utility Fund, AH |
| Global Utility Fund, AI                  | Global Utility Fund, AJ | Global Utility Fund, AK |
| Global Utility Fund, AL                  | Global Utility Fund, AM | Global Utility Fund, AN |
| Global Utility Fund, AO                  | Global Utility Fund, AP | Global Utility Fund, AQ |
| Global Utility Fund, AR                  | Global Utility Fund, AS | Global Utility Fund, AT |
| Global Utility Fund, AV                  | Global Utility Fund, AW | Global Utility Fund, AX |
| Global Utility Fund, AY                  | Global Utility Fund, AZ | Global Utility Fund, BA |
| Global Utility Fund, BB                  | Global Utility Fund, BC | Global Utility Fund, BD |
| Global Utility Fund, BE                  | Global Utility Fund, BF | Global Utility Fund, BG |
| Global Utility Fund, BH                  | Global Utility Fund, BI | Global Utility Fund, BJ |
| Global Utility Fund, BK                  | Global Utility Fund, BL | Global Utility Fund, BM |
| Global Utility Fund, BN                  | Global Utility Fund, BO | Global Utility Fund, BP |
| Global Utility Fund, BQ                  | Global Utility Fund, BR | Global Utility Fund, BS |
| Global Utility Fund, BT                  | Global Utility Fund, BU | Global Utility Fund, BV |
| Global Utility Fund, BW                  | Global Utility Fund, BX | Global Utility Fund, BY |
| Global Utility Fund, BZ                  | Global Utility Fund, CA | Global Utility Fund, CB |
| Global Utility Fund, CC                  | Global Utility Fund, CD | Global Utility Fund, CE |
| Global Utility Fund, CF                  | Global Utility Fund, CG | Global Utility Fund, CH |
| Global Utility Fund, CI                  | Global Utility Fund, CJ | Global Utility Fund, CK |
| Global Utility Fund, CL                  | Global Utility Fund, CM | Global Utility Fund, CN |
| Global Utility Fund, CO                  | Global Utility Fund, CP | Global Utility Fund, CQ |
| Global Utility Fund, CR                  | Global Utility Fund, CS | Global Utility Fund, CT |
| Global Utility Fund, CU                  | Global Utility Fund, CV | Global Utility Fund, CW |
| Global Utility Fund, CX                  | Global Utility Fund, CY | Global Utility Fund, CZ |
| Global Utility Fund, DA                  | Global Utility Fund, DB | Global Utility Fund, DC |
| Global Utility Fund, DD                  | Global Utility Fund, DE | Global Utility Fund, DF |
| Global Utility Fund, DG                  | Global Utility Fund, DH | Global Utility Fund, DI |
| Global Utility Fund, DJ                  | Global Utility Fund, DK | Global Utility Fund, DL |
| Global Utility Fund, DM                  | Global Utility Fund, DN | Global Utility Fund, DO |
| Global Utility Fund, DP                  | Global Utility Fund, DQ | Global Utility Fund, DR |
| Global Utility Fund, DS                  | Global Utility Fund, DT | Global Utility Fund, DU |
| Global Utility Fund, DV                  | Global Utility Fund, DW | Global Utility Fund, DX |
| Global Utility Fund, DY                  | Global Utility Fund, DZ | Global Utility Fund, EA |
| Global Utility Fund, EB                  | Global Utility Fund, EC | Global Utility Fund, ED |
| Global Utility Fund, EE                  | Global Utility Fund, EF | Global Utility Fund, EG |
| Global Utility Fund, EH                  | Global Utility Fund, EI | Global Utility Fund, EJ |
| Global Utility Fund, EK                  | Global Utility Fund, EL | Global Utility Fund, EM |
| Global Utility Fund, EN                  | Global Utility Fund, EO | Global Utility Fund, EP |
| Global Utility Fund, EQ                  | Global Utility Fund, ER | Global Utility Fund, ES |
| Global Utility Fund, ET                  | Global Utility Fund, EU | Global Utility Fund, EV |
| Global Utility Fund, EW                  | Global Utility Fund, EX | Global Utility Fund, EY |
| Global Utility Fund, EZ                  | Global Utility Fund, FA | Global Utility Fund, FB |
| Global Utility Fund, FC                  | Global Utility Fund, FD | Global Utility Fund, FE |
| Global Utility Fund, FF                  | Global Utility Fund, FG | Global Utility Fund, FH |
| Global Utility Fund, FI                  | Global Utility Fund, FJ | Global Utility Fund, FK |
| Global Utility Fund, FL                  | Global Utility Fund, FM | Global Utility Fund, FN |
| Global Utility Fund, FO                  | Global Utility Fund, FP | Global Utility Fund, FQ |
| Global Utility Fund, FR                  | Global Utility Fund, FS | Global Utility Fund, FT |
| Global Utility Fund, FU                  | Global Utility Fund, FV | Global Utility Fund, FW |
| Global Utility Fund, FX                  | Global Utility Fund, FY | Global Utility Fund, FZ |
| Global Utility Fund, GA                  | Global Utility Fund, GB | Global Utility Fund, GC |
| Global Utility Fund, GD                  | Global Utility Fund, GE | Global Utility Fund, GF |
| Global Utility Fund, GH                  | Global Utility Fund, GI | Global Utility Fund, GJ |
| Global Utility Fund, GK                  | Global Utility Fund, GL | Global Utility Fund, GM |
| Global Utility Fund, GN                  | Global Utility Fund, GO | Global Utility Fund, GP |
| Global Utility Fund, GQ                  | Global Utility Fund, GR | Global Utility Fund, GS |
| Global Utility Fund, GT                  | Global Utility Fund, GU | Global Utility Fund, GV |
| Global Utility Fund, GW                  | Global Utility Fund, GX | Global Utility Fund, GY |
| Global Utility Fund, GZ                  | Global Utility Fund, HA | Global Utility Fund, HB |
| Global Utility Fund, HC                  | Global Utility Fund, HD | Global Utility Fund, HE |
| Global Utility Fund, HF                  | Global Utility Fund, HG | Global Utility Fund, HH |
| Global Utility Fund, HI                  | Global Utility Fund, HJ | Global Utility Fund, HK |
| Global Utility Fund, HL                  | Global Utility Fund, HM | Global Utility Fund, HN |
| Global Utility Fund, HO                  | Global Utility Fund, HP | Global Utility Fund, HQ |
| Global Utility Fund, HR                  | Global Utility Fund, HS | Global Utility Fund, HT |
| Global Utility Fund, HU                  | Global Utility Fund, HV | Global Utility Fund, HW |
| Global Utility Fund, HX                  | Global Utility Fund, HY | Global Utility Fund, HZ |
| Global Utility Fund, IA                  | Global Utility Fund, IB | Global Utility Fund, IC |
| Global Utility Fund, ID                  | Global Utility Fund, IE | Global Utility Fund, IF |
| Global Utility Fund, IG                  | Global Utility Fund, IH | Global Utility Fund, II |
| Global Utility Fund, IJ                  | Global Utility Fund, IK | Global Utility Fund, IL |
| Global Utility Fund, IM                  | Global Utility Fund, IN | Global Utility Fund, IO |
| Global Utility Fund, IP                  | Global Utility Fund, IQ | Global Utility Fund, IR |
| Global Utility Fund, IS                  | Global Utility Fund, IT | Global Utility Fund, IU |
| Global Utility Fund, IV                  | Global Utility Fund, IW | Global Utility Fund, IX |
| Global Utility Fund, IY                  | Global Utility Fund, IZ | Global Utility Fund, JA |
| Global Utility Fund, JB                  | Global Utility Fund, JC | Global Utility Fund, JD |
| Global Utility Fund, JE                  | Global Utility Fund, JF | Global Utility Fund, JG |
| Global Utility Fund, JH                  | Global Utility Fund, JI | Global Utility Fund, JJ |
| Global Utility Fund, JK                  | Global Utility Fund, JL | Global Utility Fund, JM |
| Global Utility Fund, JN                  | Global Utility Fund, JO | Global Utility Fund, JP |
| Global Utility Fund, JQ                  | Global Utility Fund, JR | Global Utility Fund, JS |
| Global Utility Fund, JT                  | Global Utility Fund, JU | Global Utility Fund, JV |
| Global Utility Fund, JW                  | Global Utility Fund, JX | Global Utility Fund, JY |
| Global Utility Fund, JZ                  | Global Utility Fund, KA | Global Utility Fund, KB |
| Global Utility Fund, KC                  | Global Utility Fund, KD | Global Utility Fund, KE |
| Global Utility Fund, KF                  | Global Utility Fund, KG | Global Utility Fund, KH |
| Global Utility Fund, KI                  | Global Utility Fund, KJ | Global Utility Fund, KK |
| Global Utility Fund, KL                  | Global Utility Fund, KM | Global Utility Fund, KN |
| Global Utility Fund, KO                  | Global Utility Fund, KP | Global Utility Fund, KQ |
| Global Utility Fund, KR                  | Global Utility Fund, KS | Global Utility Fund, KT |
| Global Utility Fund, KU                  | Global Utility Fund, KV | Global Utility Fund, KW |
| Global Utility Fund, KX                  | Global Utility Fund, KY | Global Utility Fund, KZ |
| Global Utility Fund, LA                  | Global Utility Fund, LB | Global Utility Fund, LC |
| Global Utility Fund, LD                  | Global Utility Fund, LE | Global Utility Fund, LF |
| Global Utility Fund, LG                  | Global Utility Fund, LH | Global Utility Fund, LI |
| Global Utility Fund, LJ                  | Global Utility Fund, LK | Global Utility Fund, LL |
| Global Utility Fund, LM                  | Global Utility Fund, LN | Global Utility Fund, LO |
| Global Utility Fund, LP                  | Global Utility Fund, LQ | Global Utility Fund, LR |
| Global Utility Fund, LS                  | Global Utility Fund, LT | Global Utility Fund, LU |
| Global Utility Fund, LV                  | Global Utility Fund, LX | Global Utility Fund, LY |
| Global Utility Fund, LZ                  | Global Utility Fund, MA | Global Utility Fund, MB |
| Global Utility Fund, MC                  | Global Utility Fund, MD | Global Utility Fund, ME |
| Global Utility Fund, MF                  | Global Utility Fund, MG | Global Utility Fund, MH |
| Global Utility Fund, MI                  | Global Utility Fund, MJ | Global Utility Fund, MK |
| Global Utility Fund, ML                  | Global Utility Fund, MN | Global Utility Fund, MO |
| Global Utility Fund, MP                  | Global Utility Fund, MQ | Global Utility Fund, MR |
| Global Utility Fund, MS                  | Global Utility Fund, MT | Global Utility Fund, MU |
| Global Utility Fund, MV                  | Global Utility Fund, MX | Global Utility Fund, MY |
| Global Utility Fund, MZ                  | Global Utility Fund, NA | Global Utility Fund, NB |
| Global Utility Fund, NC                  | Global Utility Fund, ND | Global Utility Fund, NE |
| Global Utility Fund, NF                  | Global Utility Fund, NG | Global Utility Fund, NH |
| Global Utility Fund, NI                  | Global Utility Fund, NJ | Global Utility Fund, NK |
| Global Utility Fund, NL                  | Global Utility Fund, NM | Global Utility Fund, NN |
| Global Utility Fund, NO                  | Global Utility Fund, NP | Global Utility Fund, NQ |
| Global Utility Fund, NR                  | Global Utility Fund, NS | Global Utility Fund, NT |
| Global Utility Fund, NU                  | Global Utility Fund, NV | Global Utility Fund, NX |
| Global Utility Fund, NY                  | Global Utility Fund, NZ | Global Utility Fund, OA |
| Global Utility Fund, OB                  | Global Utility Fund, OC | Global Utility Fund, OD |
| Global Utility Fund, OE                  | Global Utility Fund, OF | Global Utility Fund, OG |
| Global Utility Fund, OH                  | Global Utility Fund, OI | Global Utility Fund, OJ |
| Global Utility Fund, OK                  | Global Utility Fund, OL | Global Utility Fund, OM |
| Global Utility Fund, ON                  | Global Utility Fund, OO | Global Utility Fund, OP |
| Global Utility Fund, OQ                  | Global Utility Fund, OR | Global Utility Fund, OS |
| Global Utility Fund, OT                  | Global Utility Fund, OU | Global Utility Fund, OV |
| Global Utility Fund, OW                  | Global Utility Fund, OX | Global Utility Fund, OY |
| Global Utility Fund, OZ                  | Global Utility Fund, PA | Global Utility Fund, PB |
| Global Utility Fund, PC                  | Global Utility Fund, PD | Global Utility Fund, PE |
| Global Utility Fund, PF                  | Global Utility Fund, PG | Global Utility Fund, PH |
| Global Utility Fund, PI                  | Global Utility Fund, PJ | Global Utility Fund, PK |
| Global Utility Fund, PL                  | Global Utility Fund, PM | Global Utility Fund, PN |
| Global Utility Fund, PO                  | Global Utility Fund, PP | Global Utility Fund, PQ |
| Global Utility Fund, PR                  | Global Utility Fund, PS | Global Utility Fund, PT |
| Global Utility Fund, PU                  | Global Utility Fund, PV | Global Utility Fund, PX |
| Global Utility Fund, PY                  | Global Utility Fund, PZ | Global Utility Fund, QA |
| Global Utility Fund, QB                  | Global Utility Fund, QC | Global Utility Fund, QD |
| Global Utility Fund, QE                  | Global Utility Fund, QF | Global Utility Fund, QG |
| Global Utility Fund, QH                  | Global Utility Fund, QI | Global Utility Fund, QJ |
| Global Utility Fund, QK                  | Global Utility Fund, QL | Global Utility Fund, QM |
| Global Utility Fund, QN                  | Global Utility Fund, QO | Global Utility Fund, QP |
| Global Utility Fund, QQ                  | Global Utility Fund, QR | Global Utility Fund, QS |
| Global Utility Fund, QT                  | Global Utility Fund, QU | Global Utility Fund, QV |
| Global Utility Fund, QW                  | Global Utility Fund, QX | Global Utility Fund, QY |
| Global Utility Fund, QZ                  | Global Utility Fund, RA | Global Utility Fund, RB |
| Global Utility Fund, RC                  | Global Utility Fund, RD | Global Utility Fund, RE |
| Global Utility Fund, RF                  | Global Utility Fund, RG | Global Utility Fund, RH |
| Global Utility Fund, RI                  | Global Utility Fund, RJ | Global Utility Fund, RK |
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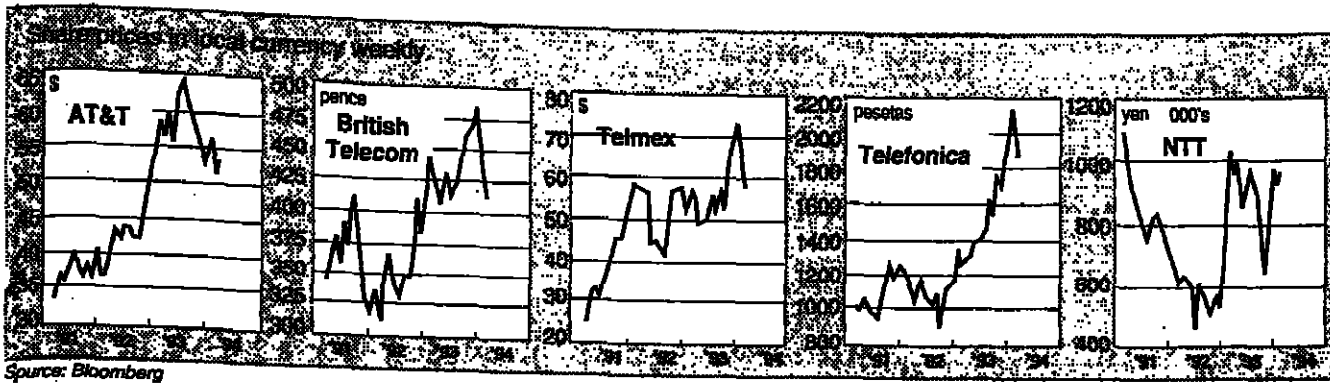
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## THE MONEY REPORT



### Buying Phone Shares: Where to Begin?

By Conrad de Aenle

**T**ELECOMMUNICATIONS companies used to be thought of as solid, steady and dull performers that paid fat dividends; they constituted a big part of utility-stock portfolios. Then one country after another unleashed its phone system on the public. A telecom investment sector that just a decade ago was dominated by a single entity—American Telephone & Telegraph Co.—has since been transformed into a collection of high-flying, fast-growing industrial companies.

Some of the more exciting and volatile—and therefore more risky—telecoms that have recently been privatized do business in the emerging markets of Latin America and Asia. Being out of government control allows them to be run better and provides capital to expand their networks.

"Prior to any sort of privatization, these companies have been state-run totally inefficiently," said Elizabeth Morrissey, managing partner at Kleinman International Consultants, which follows the emerging markets. "They haven't had money to invest to upgrade the technology. They've been unable to serve the population."

Once that hindrance is removed, Third World telecommunications concerns become "a great buy, they're always a great buy," she said. "If you think about it, it only makes sense. Phone lines per person in emerging markets are substantially less than in developed markets. As these economies grow, people are going to want more lines; the phone companies are going to grow."

But the firms' share values won't grow in a straight line. A regulatory ruling recently sent the price of the Chilean phone system skidding more than 25 percent, and shares of Telefonos de Mexico have taken a

big hit as the Mexican market retreats after a sharp advance.

Mike Jeremy of Baring Securities takes a more quantitative approach to the emerging telecoms. He has a formula for rating emerging market telecoms that factors in the local economic environment and the potential for growth in a company's business. The goal is to come up with a number that is useful no matter whether an investor is looking to buy a telecom stock or a proxy for a particular market.

"If you can afford to invest globally in telecoms, you can capture most of the growth potential in markets where gross domestic product per-capita is advancing most quickly and where the need for telephone lines is higher," he explained.

Using his formula, the most highly rated stock would be Hong Kong Telecom, followed by Philippine Long Distance Telephone, Telecom Asia, which has a franchise to put 7 million lines into the Bangkok region, Singapore Telecom and Telekom Malaysia.

He rates the Latin American telecoms lower because of the higher interest rates that prevail in that region. But that tends to be factored into their prices, which are often considerably lower, compared with their earnings, than Asian telecoms. For instance, Telmex was recently trading at 11 times earnings, while the figure for Telekom Malaysia was 39.

Mr. Jeremy's recommended companies make up a geographically diverse lot: Telmex, which he said should be unaffected in the long run by the assassination of President Collor, is the next president, Telesur of Brazil, the two Argentine telecoms, CTC of Chile, Telekom Malaysia, PLDT and Hong Kong Telecom.

The companies Mr. Jeremy rates lowest are STET of Italy and Telefonos de España, as the Italian and Spanish markets offer the worst of

both worlds, with high interest rates and mature phone markets. He rates American telecoms low for the same reasons, although not to the same extent.

Michael Mahoney, who manages the GT Global Telecom Fund, finds nothing at all to recommend American phone companies.

"I would avoid all regional operators in the U.S.," he advised. "The Baby Bells are basically dogs. The only way you're going to make money on them is if interest rates come down. As far as their fundamental business is concerned, they're in a terrible situation." Regulations force them to stick to their own service areas, he explained, but other, newer operators can come in and pick and choose the services they want to offer.

Mr. Mahoney finds European telecoms a better risk. "In Europe you've seen a rise in interest rates without a fundamental reason to justify it," he said. "I don't think it's going to continue."

Mr. Mahoney keeps three-fourths of his fund's assets in mature markets and the rest in emerging countries. But it really doesn't break down that simply. "In many cases the particular companies we're invested in are in developed markets where they're selling products and services into emerging markets," he said.

Because the faster-growing emerging telecoms carry higher market valuations, shares in any developed-market telecom that has a sizeable chunk of its business in the Third World should carry a higher price, by his thinking.

Europe is likely to be the hottest region for privatizations in the years to come, as governments, preparing for the 1998 liberalization of the industry in the European Union, sell off their lumbering PTs.

"If you were looking out five years from today, nearly every one of the national operators will be publicly quoted," Evan Miller, who

covers European telecoms for Lehman Brothers, said. Those likely to be sold soon include Telecoms in Denmark, the Netherlands, Portugal and Turkey, with France and Germany to follow.

"Where in the past you had a limited selection as an investor, those options are doubling and redoubling," Mr. Miller said. "That may not be a good thing."

"It raises some interesting issues on marketability and attractiveness to investors," he pointed out. "Are you going to see the shifting of some investment dollars out of traditional vehicles into newcomers? I don't pretend to know the answer, but suffice it to say that with \$20, \$30, \$40 billion in telecom shares coming to the market in Europe alone, it's a very real issue whether the market can readily absorb the new flow of paper."

But he quickly cast those doubts aside, saying, "The sector overall is one to remain overweight in. European telecoms have a long way to run. I'm very, very bullish."

Two of his favorites were found near the bottom of Mr. Jeremy's list, STET and Telefonica. He also likes Cable & Wireless, which controls Hong Kong Telecom.

Europe offers probably the widest range in the sector, from the mature operators in the north to those in emerging markets like Portugal and Turkey, which he said are "like industrial startups—dare I say it, like a biotech company. There are probably investors who wouldn't touch a Telmex or a Chile or a Turkey."

Ms. Morrissey, of course, is not one of them. She said to expect periods of severe volatility, of the sort that has sent holders of Telmex and CTC shares into palpitations, but "over a two, three, four-year period, there are lots of opportunities for companies to do well. Over the long term they will all show substantial gains and probably over several years will have outperformed their respective markets."

### U.K. Utility Stocks Enter a Volatile Time

By Rupert Bruce

**I**F you had invested \$1,000 in the British equity market in 1991 for long-term growth you would hardly have put it in a utility stock. Yet, if you had bought one of the 12 regional electricity companies, or RECs, sold on the London Stock Exchange this year, you would have found it difficult to beat.

Typically, you would have about \$2,625 today, no counting dividend payments and the effect of exchange-rate fluctuations. To name just a few: London Electricity has climbed from the 240 pence (\$3.60) at which common shares were floated to about 600 pence, South Western Electricity to about 630 pence, and Manweb Electricity to about 720 pence. The sharp rise in share prices has been driven by quickly rising dividends. Late last year, the RECs reported dividend growth averaging about 15 percent halfway through their fiscal years. They are expected to reflect the same growth when they report full-year profits in mid-June.

Cost-cutting, largely by way of trimming the numbers employed in the businesses, has been responsible for much of the rise in profits and dividends. The RECs have also been helped by the recovery in Britain's economy. In normal times, such a history would be rewarded by a high stock price. Instead these shares trade on a dividend yield about 20 percent higher than the London market's average, and on a relatively low price-earnings ratio.

But these are not normal times. The Office of Electricity Regulation is in the process of consulting with the RECs prior to announcing new price controls on their electric-

ity distribution businesses, and global interest rates are beginning to rise once more. The RECs are often valued in the same way as bonds, in which prices move inversely to interest rates.

"Essentially, we feel the distribution review in the summer has got to be the key driver of the shares, combined with interest rates and gilt [British government bond] yields," said Andrew Wheeler, an analyst at NatWest Markets.

"The shares will be very unstable as rumors and counter-rumors emerge ahead of the review," he added. "It will cause a certain amount of volatility."

The review is important for the RECs because distributing electricity across Britain to consumers—whether they be individuals or small businesses—is their main business. It accounts for about 64 billion of revenue a year. It is also important for consumers because distribution costs represent about 25 percent of their electricity bills.

The RECs have other businesses, like electrical goods stores, generators, and gas-supply businesses. These are responsible for a small proportion of their profits and dividends.

But analysts do not think the review will be too tough. Hoare Govett's Nigel Hawkins believes that the RECs will benefit from safety in numbers. By this he means that the regulatory office will have enough problems anyway with complaints that the 12 diverse businesses are not being treated fairly without imposing a tough review, which would generate even more trouble.

"Because rates of return on capital employed, operating costs, and capital expenditure programs vary widely it would be very difficult to

come down hard on all of them," he says.

Others suggest that the Office of Electricity Regulation does not have the resources necessary to design a really aggressive regime and get it past opposition from the RECs. Mr. Hawkins believes that after the year 1994-95, when the review starts to bite, dividend growth will fall to an inflation-adjusted 6 percent until the year 2000.

So, if for example, the inflation rate were 4 percent, the dividend growth rate would be 10 percent.

"That is partly on the basis that the dividends are well over three times covered by earnings at present. With relatively little profit growth you could pay out 6 percent for the next few years and still have two times dividend cover."

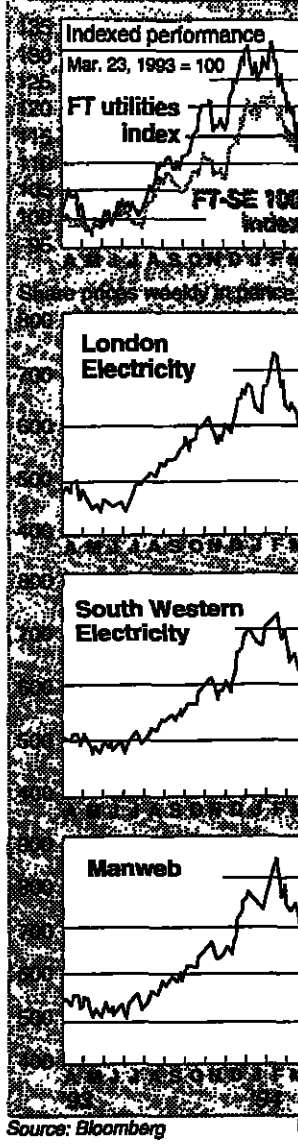
Other analysts agree with this and forecast similar numbers. They regard dividend cover of two times as highly respectable.

Kevin Laywood at Smith New Court argues that once the review is behind the RECs they will be valued in the same way as Northern Ireland Electricity. It does not face a review until 1997 and is on a dividend yield of 3.2 percent, slightly under the market average. This compares with the other RECs, which typically yield about 4 percent, a fair degree more than the market.

"It is our argument that once investors can see past the review, they will be able to see 5 percent real dividend growth"—Smith New Court's estimate—"for the next five years. That should lead to a much lower yield."

The one cloud on the horizon, analysts agree, is the possibility of a Labor government being elected in Britain in 1997. That might lead to a much tougher price cap in the year 2000, when the next review is due.

#### Powering Higher



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#### Fund Joins the Stampede Toward Latin Investments

The mutual fund stampede into Latin America has reached such a speed and volume that the more sensitive players in the industry are beginning to feel embarrassed about it. The area "is the investment flavor of 1994," concedes Singer & Friedlander Investment Funds Ltd., the latest manager to launch a vehicle invested there. But, argues the firm's chief executive, Tony Fraber, the new fund "is different."

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#### Investment Opportunities in Chilean Privatizations

A new privatization fund investing in Chilean stocks is in the pipeline. The fund is being sponsored by Chase Manhattan Bank, Banco Credito del Peru, Midland Bank and Samuel Montagu & Co., and will seek to raise \$250 million. International Finance Corp., an arm of the World Bank, may also be involved in the launch, which is expected next month.

Minimum investment is 20,000 DM (about \$12,000), and charges run at 5 percent initially (with a discount for large investors), 2 percent annually, and 20 percent of gains in net asset value. The initial charge will be waived for all investments received before May 31. The fund is based in Bermuda and will seek a listing on the Dublin exchange.

For more information, call Ermitage in London at (44 71) 333 0900, or fax at (44 71) 333 0443.

### Analysts Upbeat on European Utilities

By Digby Lerner

**U**TILITY companies often provide a safe haven for equity investors seeking shelter from the gyrations of the stock market. The essential items utilities produce—water, power and telecommunications—are less vulnerable to the peaks and troughs of demand affecting other sectors.

Often they are also monopolistic businesses with a tight grip on their domestic market and are rarely exposed to the perils of foreign currencies.

In Europe, which is still trying to shake off the recession and with its equities markets unsure about which way to go, utilities are having a good run. Only in Britain, where the recovery is taking hold, do utilities appear to have peaked, at least for now.

Apart from these general advantages the prospects for European utilities are boosted by the various privatization programs sweeping the Continent. As publicly owned utilities are sold off, they expect to benefit from the economic rationalization demanded by the market.

Privatization may also enable companies to be freed from political constraints. These may have stopped them investing in a particular way or forced them to buy home-produced raw materials when cheaper foreign alternatives were available.

According to John Boeckmann, European investment director with fund manager M&G in London, European utilities are still rich with opportunity.

"Spanish electricity companies have some way to go," he said, "and, among the privatization issues, telecommunications is the area to watch. TeleDan, in Den-

mark, is the next telephone company coming to the market followed by a secondary privatization in Italy in about six weeks' time. That will be followed by the Dutch in June and Germany sometime in the autumn."

He adds that among electricity companies the ones exporting excess capacity may be the best performers. The Spanish hydroelectric utilities are producing a surplus of cheap power which Elektrowatt of Switzerland is reselling to Austria.

Apart from benefiting major Spanish utilities like Iberdrola, Sevilleana and Hidro Cantabrico, the Swiss company is also showing healthy profits.

But it would be a mistake to believe buying newly privatized utilities is always a wise move. Many of them face a baptism of fire when they move from the security of public ownership to the marketplace.

One bugbear is the variety of regulation that utilities are subject to. While these can sometimes help the performance of a utility they may also hold it back. In Germany, for example, the nuclear power industry is hamstrung by rules making it almost impossible for nuclear power stations to operate.

In 1987 one of the country's largest power companies, RWE, opened a nuclear plant in the Rhineland. It ran for only a year before being shut by the authorities. While investors hope prospective rule changes this summer will allow the plant to reopen, the cost to RWE has been enormous.

Even when companies are privatized, they may continue to labor under rules preventing them fully embracing the free market.

German generating companies are forced to buy home-produced coal to fire power stations even though it costs roughly three times more than some equally efficient imported fuels.

Isabelle Hayez, European utilities analyst with the American broker Shearson Lehman, says utilities have long been used as political pawns and governments are reluctant to let go.

"Some regulations prevent privatized utilities from keeping all the benefits they gain from cost restructuring plans," she said. "There may also be ongoing contracts determining a high proportion of the company's earnings stream for years to come."

She says this is sometimes useful for analysts where newly privatized companies have no track record.

Spain is soon expected to bring 10 percent of the huge ENDESA generating company to the market. ENDESA together with Iberdrola, its main competitor, account for 80 percent of the country's electricity production.

In recent years the company has suffered from heavy debts, which now appear to be under control. A portion of ENDESA's debt is in foreign currencies and suffered badly when the peseta was devalued in 1992 and 1993. Recent high interest rates added to the problem.

Now, because of heavy debt restructuring and lower borrowing costs, the company is looking leaner and ready to benefit fully from this summer's promised deregulation.

Road construction is another utility investment showing promise in Italy and Spain. The Spanish companies Accsa and Asumar have secured favorable terms from the government for future highway development and operation.

According to Simon Taylor, an analyst with London-based stockbroker J.P. Morgan Securities, utilities are likely to continue attracting European investors, especially in Spain and Germany. "Although the recession may now have hit bottom in most European countries, the upturn is still a long way off for some. We had bit of a false dawn in Germany recently but I would say they are about a year away from making a recovery."

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# SPORTS

## Russians Crowned Ice Dance Champions

Compiled by Our Staff From Dispatches  
CHIBA, Japan — The Olympic champions Oksana Grischuk and Yevgeni Platov survived a rare fall and three minor rule infractions to win the world ice dancing title at the world championships on Friday.

In the women's figure skating competition, Yuka Sato gave a huge boost to Japanese hopes of a world title by winning the technical program on Friday.

Platov fell 25 seconds into their frantic rock and roll number but was quickly back into his stride and the Russians bopped their way to gold just as they did in Norway last month.

Sophie Moniotte and Pascal Lavanchy of France could not take advantage of the slight penalties sustained by the champions and had to settle for second place, three positions better than their Olympic finish. But they were voted first by two of the nine judges.

Susanna Rahkamo and Petri Kokko of Finland won the bronze with their program based on the Fellini film "La Strada."

Gritschuk and Platov, criticized at the Winter Olympics last month for two major separations during their routine there, had three on Friday.

They were timed unofficially at eight, seven and nine seconds with five seconds the maximum allowable.

The Bulgarian judge hit them hard with a score of 5.5 for technique and was one of the two to prefer the French couple.

The other judge who put the French first was from Slovakia.

The remaining seven judges penalized Gritschuk and Platov slightly but gave them high marks for artistry to ensure that they took the gold.

Earlier, Sato, 21, gave a masterly display of speedy skating highlighted by a sparkling footwork routine as she edged out Surya Bonaly of France, the European champion, in the technical program.

Josée Chouinard of Canada made a small mistake in what might have been the best artistic performance of the round and took third place.

The technical program counts for one-third of the women's competition, which is to continue Saturday with the 4-minute free program.

It was tight at the top as Sato and Bonaly each had first place votes from four of the nine judges. With no outright majority, it went back to second place votes and Sato had five to Bonaly's two.

The Germans Tanja Szewczenko and Marina Kielmann hold the next two positions with Ukraine's Elena Liaschenko a surprising sixth. She would have been higher after completing all her difficult elements perfectly, but she fell on a step sequence.

The field, weaker than anticipated following the withdrawal of the Olympic gold and silver medalists, Oksana Baiul and Nancy Kerrigan, was further depleted when Chen Lu of China, third at the Lillehammer Games, pulled out on Thursday with a foot injury.

## Purdue, Duke, Missouri and Arizona Gain Regional Semis



Jim McIlvaine outreached Cherokee Parks, but Marquette fell to Duke in the Southeast Regional.

Compiled by Our Staff From Dispatches

The Big Dog ate up Kansas. Now Glenn Robinson will try to take a bite out of Duke.

Robinson, the nation's leading scorer, had 44 points Thursday night to lead Purdue to a 83-78 victory over Kansas at the National Collegiate Athletic Association Southeast Regional in Knoxville, Tennessee.

The top-seeded Boilermakers (29-4) advanced to Saturday's regional final against second-seeded Duke (26-5), which downed Marquette 59-49.

"We know Duke is a great team with a great coach and a great player," said Purdue's Coach Gene Keady. "We're going to celebrate this one tonight, and when we wake up we'll start to focus on Duke and get back to being all business."

Robinson and Martin were a tremendous tandem against the fourth-seeded Jayhawks. Robinson equaled his season average in the first half with 30 points, while Martin made eight of 13 shots from 3-point range in the game.

"Great players step forward in big games and they both did," said the Purdue coach, Gene Keady. "They feed off each other."

Robinson, who played 38 minutes, said: "There was a time maybe I should have come out of the game, but I didn't. They needed all of us down the stretch."

Saturday's West Regional final in Los Angeles will match top-seeded Missouri (28-3) against second-seeded Arizona (28-5).

Missouri blew an 11-point lead in the last five minutes of regulation, but regrouped in overtime to beat fourth-seeded Syracuse, 96-88. Melvin Booker scored seven of his 24 points in the extra period for the Tigers. Khalid Reeves scored 29 points, including five 3-pointers, as Arizona defeated third-seeded Louisville, 82-70.

Robinson, averaging 36 points in the tournament, went scoreless for 10½ minutes in the second half against Kansas (27-8). But Martin

picked up the slack, scoring Purdue's next 12 points.

"Cuonzo was really the key for them because we expected Glenn to get his points," said Kansas' Richard Scott, who scored 15 points.

The Boilermakers haven't been this far in the NCAA tournament since their last Final Four appearance in 1980. Their next opponent, Duke, is seeking its seventh trip to the Final Four in nine years.

Duke 59, Marquette 49: All-American Grant Hill scored 16 of his 22 points in the second half to lead the Blue Devils over Marquette. Hill also finished with six assists and nine rebounds.

"Hill obviously made some very big plays at the end," said the Marquette coach, Kevin O'Neill. "He really kind of dominated the second half on the job, the dribble, the post-up, the rebound."

Duke trailed 26-25 at halftime, but Hill started the second half with a 3-pointer that put the Blue Devils ahead for good.

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time after blowing the big lead in regulation.

"We weren't real sharp," said the Missouri coach, Norm Stewart. "There are some things that we can do better. We've got to play better in order to get where we want to be."

Booker's 3-pointer opened the scoring in overtime and put Missouri ahead to stay.

"That hurt," the Syracuse coach Jim Boehm said of Booker's long shot. "But this team has battled back all year long, and I'm very proud of the way we've played."

Adrian Antrny led Syracuse (23-7) with 31 points, all in the second half.

Missouri has never made it past the regional final. The Tigers lost first-round games in six of their previous eight tournament appearances.

"I've had better teams, with more talent, and that doesn't take away from the other teams, but this team has gotten the maximum out of its potential," Stewart said. "The bottom line is our ball club has a lot of grit and they figure out a way to win. They really have a toughness about them."

Arizona 82, Louisville 70: After first-round losses the last two years, Arizona is one victory away from its first Final Four since 1988.

All five Wildcats starters scored in double figures against Louisville. Reggie Geary had 12 points, while Damon Stoudamire, Ray Oves and Joseph Blair each had 11.

"I think teams have overlooked us a lot, because we're in the West and they think we're going to be a timid team," Blair said. "But we can be aggressive when we have to."

With Arizona collapsing its defense on Clifford Rozier, who was held to just five points, Louisville was forced to rely on its outside shooting. But the Cardinals hit just 7 of 27 3-point shots and made only 25 of 67 field-goal attempts. Rozier had just four field-goal attempts.

"There's no question the key to the ball game was to defensively make it difficult for them to score," said the Arizona coach, Lute Olson.

(AP, WP, NYT)

## Jones's 62-Point Blitz Advances Kansas State

The Associated Press

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## Formula One Racing: New Season, New Questions

By Brad Spurgeon  
International Herald Tribune

PARIS — Alain Prost last week ended the suspense in the off-season Formula One saga of will-he-or-won't-he drive again. But on Sunday, the 1994 season opens in Brazil with other questions that could make or break Formula One racing as a spectator sport.

Prost undoubtedly made the right decision to stay in retirement after the problems he had last season with FISA, the sport's governing body. Formula One racing, however, has lost a great champion and with him a great rivalry between Prost and Ayrton Senna. The sport will have to offer great competition to make up for it.

Last season, the sport came close to losing credibility through the cloudiness of the now-defunct FISA's technical rules. But the new method of operating — directly through the Paris-based International Automobile Federation, or FIA — still has rules problems that could well explode starting with the season's first race, the Brazilian Grand Prix in São Paulo on Sunday.

At the heart of the current problem is a gas-pedal system known as "fly-by-wire." It involves an electronic accelerator that communicates with the motor not by the traditional mechanical cable method, but by electronic signals. The top teams Williams and McLaren use the system, while the smaller teams argue the legality of what they contend falls under the category of banned driver's aids.

The new rules were established in July without direct reference to the system. FIA subsequently issued a letter apparently outlawing "fly-by-wire." But a showdown lies ahead when track stewards check the cars in Brazil.

Another unknown factor is the refueling that had been outlawed since 1983 due to the danger of fire. The system was revived in an attempt to bring more spectacle to a form of racing that is regularly dominated by the same few teams. It also gives teams to bigger engines, like the V12, a weight advantage that their V8 or V10 rivals have.

One team in particular, Ferrari, is said to be likely to profit by the refueling.

But while all teams agreed to the refueling rule in July, many have since denounced the system as dangerous and unlikely to give anyone an edge. They will have the possibility of voting down the rule during the season, which creates another area of possible friction.

Other questions that will decide the fate of the sport involve human rather than technical battles.

Senna is the favorite to win the driver's championship, having inherited the Williams-Renault car of the two previous champions (Prost last year and Nigel Mansell in 1992).

But the preseason practice sessions have shown that his path will not be easy. At Imola earlier this month, it was the rising young German star Michael Schumacher in his Benetton-Ford who got the best time, ahead of Senna.

But Prost's departure has left Senna as the only driver previously crowned world champion. And it would appear unlikely that a driver like Schumacher can go from winning one race a season to winning enough races for the title. In 1993, Prost needed seven victories; in 1992, Mansell won nine races.

But in Formula One racing, anything is possible.

Schumacher will win more than one race in a season for the first time.

Jean Alesi, the Frenchman in the Ferrari, will win his first ever Grand Prix, and Ferrari's first since 1990.

Senna will have a difficult time winning the world championship, if he wins it at all, and will not repeat Prost's and Mansell's domination of the previous two years.

McLaren-Peugeot will be a strong contender for the places on the podium that are offered by the other top teams dropping out of races with blown engines and spin-outs. The untired Peugeot motor will fall less often through a blow out and more through development needs.

Refueling will be the Williams team's undoing, as it is one of the weakest teams during pit stops.

McLaren will continue to set records for the shortest pit stops, even with the refueling, because it is the strongest team in the pits.

The number of different drivers to win a Grand Prix in a single season will be the largest it has been in years.

Some of the most exciting teams will not be those that win races, but those that have in the past been eclipsed by the big teams and will this year be fighting for the fourth, fifth, and sixth places. These include Larrousse, Jordan and Tyrrell.

The sport's governing bodies will do their best to smooth out all rules problems in order to salvage a Formula One image that is becoming increasingly dark.

If not, they risk losing fans, and Formula One could go the way of the World Sports Car Championship, which died last year.

Some predictions for the coming season:



